

The NATIONAL UNDERWRITER

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* If you are missing any of these folders, let us know and we will send you copies at once. Note: Any interested agent may obtain a full set of 5 upon request.

TO OUR AGENTS: Tentative plans call for an expanded promotional program for 1943. Your vote will help start the profits rolling. Your vote must be in by Jan. 31, 1943.

☐ Peace of Mind ☐ Protect Your Business ☐ This May Save Business ☐ The Risks of Being Young ☐ Hidden Trouble

Suggestions.....

ACCIDENT AND CASUALTY INSURANCE COMPANY
of Winterthur, Switzerland

UNITED STATES HEAD OFFICE • 111 JOHN STREET, NEW YORK CITY

THURSDAY, DECEMBER 17, 1942



150 WILLIAM STREET
NEW YORK

December 1942.

A Christmas Message to
Our Friends

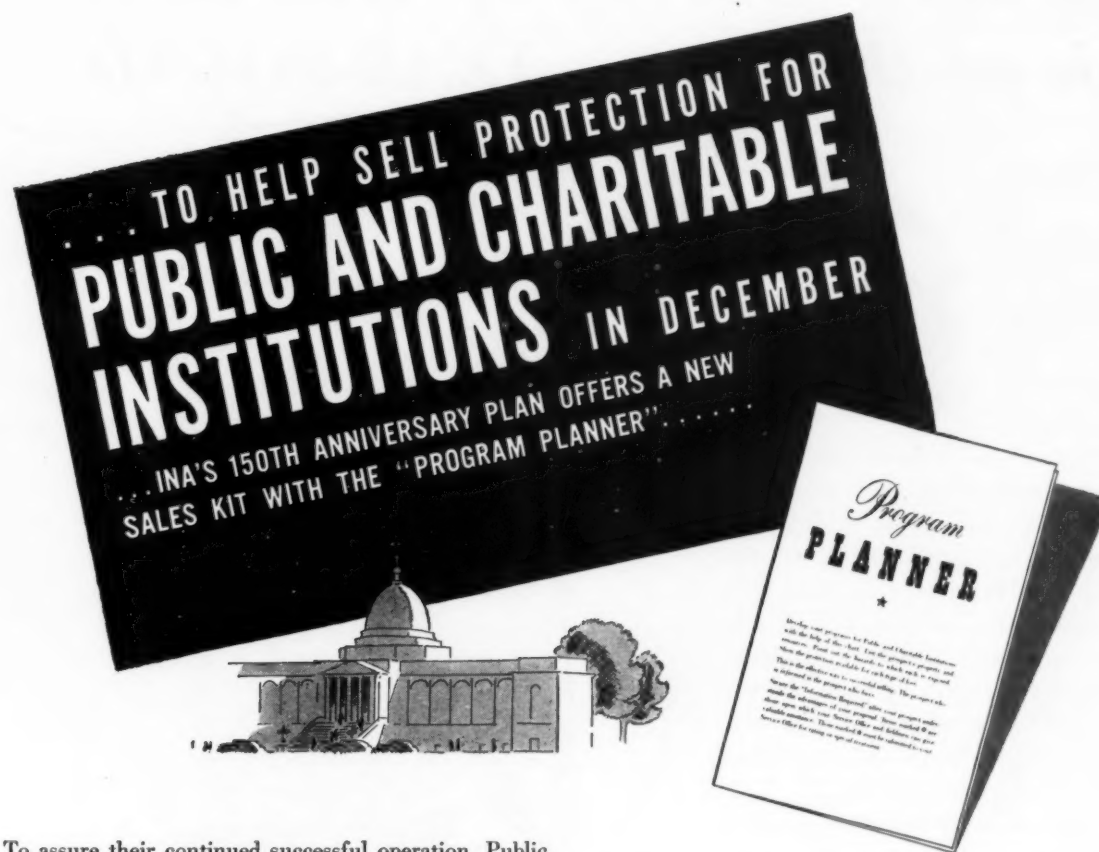
This year the thoughts of all of us will turn during the holiday season to those who are absent in the service of our country. Theirs is the great sacrifice and it is our ardent hope that they will find good cheer wherever they may be, ever assured that deep in our hearts is concern for their welfare and a prayer for their safe return.

But war and the problems ahead cannot crowd from our minds the consciousness of the cooperation and good will which our agents, brokers, employees and friends have demonstrated during the past year. To each of them, we of the Globe family express our thanks and send our best wishes for 1943.

Sincerely,

K. Spencer
President





To assure their continued successful operation, Public and Charitable Institutions need the protection of expertly planned insurance. For this specialized field "North America" Agents are being supplied with a new Sales Kit featuring an instructive "Program Planner." Now, when these institutions are preparing for next year's operations, this new sales help is proving a most opportune and timely aid.

The entire Sales Kit is designed to simplify and clarify the Agent's problems in this important class—and the "Program Planner" includes a comprehensive chart covering prospects'



property and resources . . . the hazards to which each is exposed . . . and protection available for each type of loss. It is typical of the valuable material in this new Kit.

Any Agent or Broker interested in the new Sales Kit and other features of INA's widely successful selling Plan can get full information from the North America Head Office or the nearest Company Service Office.

North America Branch Offices, Service Offices and Fieldmen are always available to assist you in planning your campaign for greater effectiveness.

NORTH AMERICA COMPANIES

PHILADELPHIA

INSURANCE COMPANY OF NORTH AMERICA • THE ALLIANCE INSURANCE CO. OF PHILA. • CENTRAL INSURANCE CO. OF BALTIMORE
INDEMNITY INSURANCE CO. OF NORTH AMERICA • NATIONAL SECURITY INSURANCE CO. • PHILADELPHIA FIRE AND MARINE INSURANCE CO.

write practically every form of insurance except life

"NORTH AMERICA SERVICE" MEANS 'CROSS-THE-BOARD SERVICE . . . FOUNDED 1792

THIS SANTA CLAUS is on the Job . . . YEAR-ROUND

"What could be better than a year-round Santa Claus ready to step in and fill up your pocket-book in case you run into hard luck and are disabled? One of the best Christmas presents you can give your family this year is a Preferred Accident Policy which will be ready to step in and take over your job of providing for your family and your extra bills if you are disabled."

That is an effective approach to use this month, especially since Santa Claus in form of a disability pay check will not only be ready to call in December but every month during the year. We have an attractive line of Preferred Accident contracts which will fit the needs of every type of prospect. Write or phone today for our accident policy Sales Kit. And don't forget—it is easier to sell Preferred Accident policies. As you know, the name denotes quality—"HELD IN GREATER FAVOR; LIKED BETTER".



*The Preferred
Accident Insurance Company
of New York*

80 MAIDEN LANE, NEW YORK

Edwin B. Ackerman, President

— Branch Offices —

Boston • Buffalo • Chicago • Los Angeles • Philadelphia • Pittsburgh • San Francisco
Automobile • Accident • Burglary • Plate Glass • Liability • Compensation

The NATIONAL UNDERWRITER

Forty-sixth Year—No. 51

CHICAGO, CINCINNATI, NEW YORK AND SAN FRANCISCO, THURSDAY, DECEMBER 17, 1942

\$4.00 Year, 20 Cents a Copy

Cut Collision Rates for "A" and "B" Card Holders

Reduction Is 20% for Minimum Ration and 10% for "B"

All collision premiums for private pleasure-type cars having "A" and "B" gasoline ration cards are reduced, effective Dec. 1, by the National Automobile Underwriters Association. The reduction to the holders of "A" cards is 20 percent; and the reduction to the holders of "B" cards is 10 percent. These reductions affect all new and renewal policies attaching on and after Dec. 1 in 30 states and the District of Columbia. The same reductions will be applied as approval is obtained in other states where approval of supervising authorities is required.

In the 17 eastern states where gasoline rationing has been in force since May, 1942, there has been noticeable reduction in the number of collision accidents; but the ratio of paid losses to premiums written has been kept up by the increased cost of each collision accident. A year ago the destruction of an automobile fender for a medium priced car caused an insurance loss of about \$18. Some fenders and other repair parts can be had now only in an unfinished condition and the cost with increased labor charges for finishing and installation is frequently now \$25 to \$30 for a fender which cost \$18 a year ago. Thus two collision accidents now cause an insurance loss of as much or more than three such accidents caused a year ago.

Desires to Aid Nation

The National Automobile Underwriters Association expresses the wish of its member companies to assist in the national effort to keep automobiles in use and to assist car owners whose mileage is reduced by gasoline rationing and by tire shortage, to carry necessary insurance protection.

The association is announcing no credits applicable to hazards other than collision because the exposures under such hazards continue regardless of whether or not the automobile is being operated and claims paid under such hazards are subject also to the increased costs indicated above in connection with settlement of collision claims. There has been a decided increase in the theft of tires, batteries and other equipment and, as spare parts for repairs become increasingly difficult to secure, it is probable that there will be still further increases in such spare part losses.

NON-BUREAU IOWA RATES

DES MOINES—Nonconference and mutual companies in Iowa have been reducing automobile collision rates until

Rhodes to Agency Bulletin Post

NEW YORK—Russell Rhodes, for the past six years editor of the fire department of the "Weekly Underwriter," will on Jan. 1, become editor of the "American Agency Bulletin," of the National Association of Insurance Agents. He succeeds Robert W. Sheehan, who retired some weeks ago to join the War Production Board. Following graduation from Dartmouth Mr. Rhodes was attached to the reportorial staff of the Hartford "Courant" and later during the former war he was European correspondent for several American papers. He is an art and literary critic, frequently contributing special articles to daily newspapers.

Nov. Fire Losses Are 1% Higher

NEW YORK—Due probably in part to cold weather that prevailed in certain sections of the east during part of November the total fire loss of the country for the month, estimated by the National Board at \$24,140,000, means an increase of 7 percent over the record for October, and a 1 percent increase over the November, 1941, returns. Total losses for the first 11 months of 1940, 1941 and 1942 are: \$277,832,000, \$291,096,000, and \$278,380,000. Thus the decrease for the 1942 period is 4.36 percent from 1941. November was the first month since February to show an increase over the corresponding month of the previous year.

Figures for Three Years

Herewith are given the loss estimates by months for the past three years:

Jan.	\$36,260,650	\$26,470,000	\$35,565,000
Feb.	34,410,250	26,102,000	30,819,000
Mar.	29,788,800	31,471,000	30,505,000
Apr.	26,657,190	29,330,000	27,960,000
May	23,446,590	25,637,000	23,233,000
June	19,506,000	24,943,000	22,410,000
July	20,322,800	23,698,000	21,000,000
Aug.	20,722,100	24,122,000	19,680,000
Sept.	21,198,000	24,668,000	20,443,000
Oct.	22,091,140	30,833,000	22,621,000
Nov.	23,449,000	23,822,000	24,140,000

I. M. U. A. Prepares Much Broader PPF Form for Filing

The Inland Marine Underwriters Association has prepared a thorough revision of the personal property form for filing countrywide except in those states where the companies file individually. The form is very substantially broadened by the revision, which involves 18 specific changes in the provisions of the policy, some of them of a minor nature but many of them important in character.

at the present time most of them remain 10 per cent below the reduction announced by bureau companies.

The reductions generally were 30 percent on "A" cards and 20 percent on "B" cards. Several of the companies made the cut as far back as Nov. 1.

Brokers Chicago Board Suit Filed

Action Is Started in Names of Nolan and Slagle

Nearly 150 attended the meeting of the Insurance Brokers Association of Illinois Tuesday afternoon at which the plans to sponsor a suit against the Chicago Board were explained. Some thought the purpose of the meeting was to vote on a proposal of the directors to engage in such litigation, but instead it was to acquaint the membership with the fact that the decision had already been made, to solicit an expression of support and to invite individual brokers to intervene in the case. The suit was filed in federal court Wednesday and assigned to Judge Campbell.

Attorney Thomas McConnell of the law firm of McConnell & Leaton made the main presentation. He announced that suits would be brought in behalf of Clark E. Nolan and John Slagle, neither of whom belong to the Chicago Board. They will complain against the regulation of the board forbidding members from dealing with non-members. Mr. McConnell stated that he has studied the Chicago Board setup for the past several months and he is satisfied it is coercive and is exceeding its rights in "boycotting" non-members. He alluded frequently to the attack by the Department of Justice on the 13 fire insurance organizations in Atlanta, his implication being that the Chicago Board's practices parallel those of the organizations under attack by the federal government. He said he has developed an approach to get the issue before the courts and he declared that the fundamental question is freedom for the broker and free enterprise.

The previous afternoon Mr. McConnell said he and certain brokers' leaders had conferred with the officers of the Chicago Board. The latter, he declared, insisted that if the brokers should prevail in their stand, the fire insurance business in Chicago would become chaotic. Mr. McConnell said he was not impressed by that specter, and besides sometimes a condition of chaos is needed to precipitate reforms. There is no reason, he declared, why the brokers should not be the ones to form an organization to promote stability rather than the supervising agents.

Mr. McConnell declared that last July there emanated a proposal to reduce the commission to brokers 2½ percent on preferred business and to increase the allowance to class 1 members 2½ percent. The brokers, he said, were successful in causing that scheme to be buried, but he contended there is the possibility of similar proposals being advanced in the future unless through litigation the brokers gain their "freedom" from the board. He invited other brokers to intervene, saying that by so doing the litigation would be more representative.

The meeting was opened to questions and most of the comment from the floor was sympathetic to the program of litigation. However several members expressed concern lest the move eventu-

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Await New Move in Atlanta Anti-Trust Case

Motion to Quash Subpoenas Withdrawn—Seek to Kill Indictment

The possibility has now disappeared that the motion on the part of the 13 fire insurance organizations being attacked by the Department of Justice anti-trust division to quash the subpoenas calling upon them to produce a mass of records for the federal grand jury in Atlanta might develop into a capital case.

A hearing was to have been held in Atlanta, Monday, on the order of Federal Judge Underwood requiring the government to show cause why the motion to quash the subpoenas should not be granted but about two weeks ago Frank H. Elmore, Jr., special assistant attorney general and Attorney Dan MacDougall, acting for the insurance interests, entered into a stipulation whereunder the grand jury subpoenas for the records of the 13 associations would be withdrawn and the motion to quash the subpoenas would also be withdrawn. On Monday Federal Judge Underwood signed the necessary order.

Expected to Be Major Test

There had been indications that the fundamental issue of whether insurance is commerce and whether the federal government had authority to act against the insurance business might be determined in connection with the motion to quash the subpoenas. But, without waiting for a hearing on that motion, the Department of Justice got an indictment from the grand jury of the Southeastern Underwriters Association, its member companies, officers and members of the executive committee and the heads of the rating bureaus in the S.E.U.A. states.

Expect S.E.U.A. to Act

It is now believed certain that the S.E.U.A. will file either a motion to quash the indictment or a demurrer to the indictment, either of which would have the same effect. The objective would be to get a decision in line with the Paul vs. Virginia line of decisions to the effect that insurance is not commerce, is not subject to federal regulation and hence the Department of Justice is off limits in its Atlanta maneuver. It is also believed certain that the government anticipated such strategy on the part of the government and those that have studied the S.E.U.A. indictment closely detect an effort on the part of the government to outflank or by pass the company position. That is, the government may not seek a complete overturn of the Paul vs. Virginia line of cases and may instead contend that since the time of the Paul vs. Virginia decision in 1869 and the Decker

(CONTINUED ON PAGE 31)

Warns Insurance to Drop Secrecy Veil

Ad Man Tells of Danger in Poor Public Relations at Buyers Meeting

At the luncheon of the insurance division of the American Management Association in Chicago last week, Hays McFarland, Chicago advertising man, who is now handling advertising matters for the National Board, said that insurance has performed remarkable service to the public and has an unbelievably clean record, but that insurance men have failed to let the public know this. He warned his audience that insurance must change its tactics or suffer serious consequences.

There was a large turnout for the luncheon and Mr. McFarland made an excellent impression on his audience. He pointed out that the sad feature of the "stuffed shirt" attitude of many insurance company executives is that they are not concealing anything shameful when they refuse to take the public into their confidence, but the public will not believe it as long as this attitude persists.

Suspicion and Disloyalty in Business

Mr. McFarland said that the poor standing of insurance in public opinion is indicated by a recent survey of 800 newspaper editors throughout the country, in which they were asked to rate 12 industries, including fire insurance, in the order in which they thought they had performed public service. Every one put fire insurance at the bottom of the list. Throughout the country, agents have a low opinion of their companies and practically no information on the many services of the business. Scarcely an insurance man knows, for example, that in peace time the National Board arson squad is larger than the whole Federal Bureau of Investigation.

Mr. McFarland said that he himself was suspicious of the fire insurance business and thought it must be hiding skeletons in the closet until he verified every fact himself. He said he discussed the matter of insurance company profits with the editor of an insurance trade paper and found that the editor himself did not believe that the insurance companies made a profit of only about 2 percent until he proved it from the reports.

Example of Other Businesses

Other businesses have been through much trouble with public opinion, Mr. McFarland pointed out, and have learned how to sell themselves. For example, the meat packing business was the subject of constant muckraking until it began to tell the public that it makes only one-eighth of a cent profit per pound of meat and also to describe its efficient procedure. The fire insurance business has a better story to tell, keeping only about one-tenth of 1 cent for each \$100 premium collected. On this basis, it is probably the most efficient business in the country and yet the public does not know it.

With all its faults, Mr. McFarland said, the fire insurance business is still far more efficient than any business operated by the government would be. American business is facing a determined attack and must stand together against it. Many people, some of them important, some of them very sincere, do not believe in American business and are out to eliminate it. They are shrewd and ruthless and will use any means, such as alliances with crooked politicians, to gain their end. The average industry is too inarticulate and passes over an attack on another business with a sigh of relief that it is not being bothered. Government has its place and in many spots more regulation will

(CONTINUED ON PAGE 12)

Hail and Adjustment Group Reelects Officers



J. H. MACFARLANE

The Western Hail & Adjustment Association at its annual meeting in Chicago Monday reelected its officers. J. H. MacFarlane, secretary of the America Fore group, continues as president; F. H. Cornell, secretary of Home, vice-president, and E. G. Frazier, vice-president Springfield Fire & Marine, secretary-treasurer. The executive committee is appointed later on by the president. W. E. Newcomb, Western Underwriters Association, is assistant secretary of the hail association.

The association considered and acted upon a number of recommendations with respect to the writing of hail insurance for the 1943 season.

Fire Companies Expected to Ask for Rehearing of Missouri Rate Case

The fire companies involved in the Missouri rate case, having lost their move to have the United States Supreme Court review the decision of the circuit court of appeals directing that the impounded \$8,000,000 be paid to policyholders, expect to petition the U. S. high court for a rehearing. This step will exhaust all of the legal possibilities.

The companies have been disappointed that they could not get either the federal district court or the U. S. circuit court of appeals to consider the issue of who owns the \$8,000,000 on its merits. The decision of the various courts as the case has moved up to the high tribunal have been based largely on the fact that fraud was perpetrated on the court in the original compromise settlement of the case.

James L. Thomson, chairman of the finance committee of Hartford Fire, has been elected a director of the banking house of J. P. Morgan & Co.

Accountants Elect R. S. Stryker as Their President

At the annual meeting of the Insurance Accountants Association held in New York City, E. S. Stryker of the head office of the Loyalty group in Newark, was elected president; A. A. Dahlberg, Sun of London, first vice-president; J. W. Dillon, Buffalo, second vice-president; H. C. Grossman, Hartford Fire, third vice-president; F. W. Maasen, London Assurance, treasurer; Joseph Raywid, Joseph Raywid & Co., New York City, executive secretary; De Witt C. Glatz, Phoenix Assurance, assistant secretary. Members of the executive committee are R. C. Angus, Northern of London; Robert D. Morse, Hartford Fire; E. G. Crapser, Pacific Fire; E. P. Smith, Norwich Union; Robert Radcliffe, Newark Fire; A. W. Morgan, Glens Falls. The business meeting consisted largely of discussions of agents' accounts and war damage coverage.

Some Fear Liberal Stand on Rent Policy

Although most of the fire companies now seem to be agreed that under the rent policy they should pay for aggravation of the loss due to priorities, shortages of material and inability to rebuild or repair due to refusal of the War Production Board to give permission, there is a decided difference of opinion on whether to agree to go beyond that admission and consent to be liable for the consequences of all kinds of orders of civil authorities. Some of the companies have given letters to agents and assured interpreting the coverage in a very broad way including a statement of willingness to pay if buildings cannot be rebuilt or repaired on account of orders of civil authority.

Some executives fear that such an admission might let the companies in for types of losses that they never contemplated paying. For instance, it is conceivable that a building might burn and the government would refuse to permit rebuilding in that location because it was near a war plant or a camp or for some other reason. The dangers are vague but some executives feel that in these days it is impossible to predict what government edicts may be issued and that it is unwise in giving an interpretation of the rent policy to assume liability for losses other than those that might conceivably be sustained due to government regulations and shortages as they exist today.

Get Portrait of Joseph Ball

Among the results of North America's nationwide search for portraits of its early presidents is the acquisition of a painting of Joseph Ball, Revolutionary war patriot and financier, who was one of the company's original directors and its third president. It was painted by Gilbert Stuart.

Reinsurance Tax Poses Many Puzzling Questions

NEW YORK—Because the stamp tax provision for policies issued by non-admitted foreign insurers is so ambiguous, quite a few lawyers who have been studying it believe that the Treasury's forthcoming regulations can do only a limited amount of clarifying and that it will be necessary to get many special rulings before the measure is made entirely clear.

For example, the law provides that the stamp tax will apply to policies written on or after Nov. 1, 1942. However, suppose a policy was written and placed in effect before that date for a three-year term at a premium of \$2,700 for the term, \$900 to be paid at once, and \$900 on each anniversary. The second and third anniversaries would fall after Nov. 1, 1942. Are these payments subject to the tax? Neither of the two \$900 installments is a "payment by which the policy is continued," for the policy would still be in effect even though the insured failed to pay the second installment.

Personal Accident Policies

Another puzzling case involves personal accident policies. If a citizen of the United States who regularly resides in Panama was insured by a non-admitted foreign underwriter for personal accident insurance would the transaction be subject to the stamp tax? Or does the tax apply only to residents of the United States?

In the case of reinsurance, if an American company is reinsured with British non-admitted insurers and the American company reinsures a Canadian company's Canadian risks and then cedes part of it to the non-admitted insurers, is the retrocession taxable? According to the law the tax applies on each policy of reinsurance against any of the hazards listed in the first two paragraphs of the amendment and these include practically everything except fidelity and surety bonds.

Hold Parley on Ohio Reaffiliation

COLUMBUS — Representatives of committees of the National Association of Insurance Agents and the Ohio Association of Insurance Agents met here to consider plans for the Ohio association's reaffiliation with the National organization.

Representatives of the National association read and explained the new constitution, recently adopted, and made clear the purport of many sections, concerning which inquiry had been made.

Because members of the committee had to leave to take trains for home, the Ohio committee did not attempt to formulate its views to be submitted to the Ohio association. It was announced by Vice-president J. F. Van Vechten of Akron, who is chairman of the committee, that the committee will meet soon to take up the subject.

Kroger Warehouse Fire Causes \$600,000 Loss

Approximately \$600,000 of damage was done by the fire that destroyed the warehouse and branch office of Kroger Grocery & Baking Company at Carbondale, Ill., Sunday. There were 20 large trucks destroyed by the fire. Loss to the stock is believed to be total and to the building, an unsprinklered brick structure, 75 percent. This was one of the smallest of Kroger's 22 branch warehouses. The fire started about 3 a.m. when 35 persons were at work in the building but the cause of the fire has not been ascertained.

THIS WEEK IN INSURANCE

Scheduled hearing in Atlanta on motion to quash subpoenas for records of 13 insurance organizations collapses as government and insurance attorneys enter upon agreement. **Page 3**

National Automobile Underwriters Association reduces collision rates for A gas card holders 20 percent and for B cards 10 percent effective Dec. 1. **Page 3**

Annual meeting of Insurance Accountants Association is held. **Page 4**

Numerous problems arise in connection with the new federal stamp tax on reinsurance transactions with unadmitted companies. **Page 4**

Some results of the Aetna Casualty consumer survey. **Page 19**

Equity rating proposal again causes split in ranks of boiler and machinery companies. **Page 17**

New York office of Fidelity & Deposit is now located in its handsome new six-story building at William and Fulton streets. **Page 17**

War damage coverage on money and securities at fixed locations announced. **Page 17**

Growth of medical expense plans in New York is expected as a result of the appointment of Louis H. Pink as president of the Associated Hospital Service of that city. **Page 17**

Casualty leaders in Chicago view developments and trends in that field. **Page 18**

Much Interest in Problem of Making Farm Inspections

The question of agents making inspections of farm properties under gasoline rationing is currently of considerable interest. It is suggested by a company official in the east that self-inspection blanks might be a solution where it is impossible for the agent to get out and see the property.

The difficulty with this proposal seems to be that farmers will probably not take the trouble to check into the various conditions around the farm, even if he is willing to cooperate to the extent of filling out such a blank. Few farmers like to write and their judgment of a hazard, the condition of a roof, etc., may be based on memory, rather than on a recent, intelligent checkup.

Midwest Uses Application

While in the east most farm business is written on a recording basis and by many companies as an accommodation line, in the middle west where there is a vastly larger amount of farm values at risk, the application has long been used and this sets forth in detail all of the various matters which would be covered in a self inspection blank. The agent inspects the property on renewal, and sees that the questions in the application are correct.

"We find it difficult to have inspections made at the present time on the general line of farm business on account of gas scarcity, etc.," the official in the east states. Self inspection blanks are used for certain classes, and he believes that a farmer asked point-blank questions about chimneys, electrical wiring, roofs, heating plants, and so on would tell the truth about them. Furthermore, if the farmer answered about the condition of property he likely would be more conscious of hazards. He could be asked on the inspection blank whether his various property is covered sufficiently. For a year or more inspections will be difficult to make. Self inspection might serve a good purpose and most farmers would sign and return it, the official believes. It could be so worded that it would tie in with national conservation and the campaign to reduce farm fires.

Service Now Will Get Business

The important thing about farm inspections, midwest farm insurance leaders believe, is whether the agent is going to use the present emergency as an excuse for not giving assured the service to which he is entitled. It was difficult enough to get some agents to make inspections before gasoline rationing. If an agent says he cannot do it, and doesn't, the company is not necessarily going to turn down the business. However, the agent who in an intelligent and aggressive way tries to overcome the handicaps with which he is now faced and renders a service as good as before, or better, is going to get more business, the other type of agent less.

Some farm department managers say they will have to wait to see how the situation develops before deciding what to do about inspections. If farm agents can get B cards, they can make the most essential of their calls without too much difficulty. If a farm property has been personally inspected by the agent within several months, then the risk probably would be accepted, unless the application indicates there have been additions to buildings, machinery, live stock, etc. Then the company might insist upon a personal inspection by the agent.

The importance of getting a currently accurate picture of the values the farmer has exposed is clearly shown by the report of the U. S. department of agriculture on cash income from farm marketing, which totaled \$1,976,000,000 in October, 37 percent more than in



Seen at meeting of insurance commissioners in New York—Walter Robinson, Ohio actuary; Commissioner McCormack of Tennessee, Commissioner Thompson of Oregon, B. M. Anderson, counsel of Connecticut General Life, and Commissioner Kavanaugh of Colorado.

Parker Resigns as Chicago Board Manager

The fact that Robert A. Parker had tendered his resignation as manager of the Chicago Board to become effective at the time of the annual meeting Jan. 18 was confirmed by Mr. Parker Wednesday. Mr. Parker is also manager of the Cook County Inspection Bureau and hereafter will confine his attention to that work.

Mr. Parker joined the board in 1923, was named assistant manager in 1934, served as acting manager during 1940 and 1941 and last January was named as manager. W. H. Hamilton is assistant manager of the board.

1942 Auto Losses Off, Fire and Wind About Normal

At the annual meeting of the supervisors of Underwriters Adjusting in Chicago, H. H. Moore, general manager, said there had been a slight decline in losses handled, compared with the corresponding period of last year.

Although automobile losses have declined the past few months to about half of what they were in the first months of the year, the net decline for the year as a whole will amount to only about 10 percent compared with 1941. The decline is now expected to be more rapid, due to limited gasoline and other restrictions on automobile use, Mr. Moore said.

Wind and hail losses for the 11 months of 1942 were 12,000 less than in the corresponding period of 1941. However, this differential can be attributed to the unusual number of losses in the Armistice Day storm of 1940 that were not completed till 1941. The storms and number of losses in 1942 appear to be about normal. There was a slight increase in number of fire and marine losses and a larger increase in the total amount of loss.

Cover on Farm Machines Essential

The farm department of Cravens, Dargan & Co., Houston, has put out some handbills for use by agents in selling farmers coverage on farm machinery. The handbill points out that the government freezing of farm machinery makes adequate insurance extremely vital because even if a farmer is eligible to buy a new tractor or a farm machine of any kind, he must have the down payment in cash. It doesn't matter how good his credit is. If he is insured the insurance money provides the cash to make the payment on a replacement.

The Newton (Kan.) Insurance Board Discussed War Damage and the National Educational Program

October, 1941. For the first 10 months this cash income was \$12,117,000,000, an increase of 36 percent. For the farmer any increase in income is often translated quickly into property, which would call for additional insurance protection.

Synthetic Rubber Production Hazards Viewed by N.F.P.A.

An interesting booklet, "Synthetic Rubber," has been issued by the National Fire Protection Association, Boston, costing 20 cents. Various sources and the production possibilities of synthetic rubber are analyzed.

In reviewing the hazards of synthetic rubber processes the booklet points out that there is very little fire and explosion experience available as there is no mention of these hazards in German publications and other foreign sources. The hydrocarbons used in synthetic rubber are subject to explosion if they come into contact with foreign substances through negligence or mistake. Therefore it is probably impossible to devise precautions which will totally eliminate these hazards. However, every precaution is necessary to keep these hazards at a minimum, not only to avoid an appalling loss of life and property but to get every possible ounce of production.

As the synthetic processes utilize flammable liquids or gases which are explosive when mixed with air, there is at least a theoretical possibility that the material may have the additional hazard of chemical reactions of almost explosive violence. It appears that the hazard will be greater than that of processes involving gasoline and similar flammable liquids.

Speed Creates Hazards

Although the oil companies and the duPont Company have had commendable fire prevention experience, the principal concern in connection with the synthetic rubber processes is the great speed necessary in the erection of plants and the installation of operating personnel with very limited experience. In the past, petroleum, rubber and explosive powder industries have developed new processes gradually so they have been able to devise suitable safeguards. With production stepped up there is no such opportunity. The demand for speed and the shortage of critical materials is likely to result in short cut methods which will give very little consideration to fire and explosion hazards as might be provided for new processes in normal times. "These considerations all point to the definite conclusion that the entire synthetic rubber industry is faced with a very serious fire and explosion hazard with the probability of large losses causing serious interference with production," the booklet states.

Protective Measures

In devising measures, foam is applicable only to styrene storage and handling. The protection of butadiene storage tanks and processing equipment is best obtained by piped spray nozzle systems for fire protection. Fires of escaping butadiene are not extinguished until the flow of butadiene can be stopped. Accordingly, it is necessary to protect equipment against damage from fires by the cooling action of water applied in spray form. Where small fires are involved, approved dry compound gas pressure type of fire extinguishers are suitable as first aid equipment, as are portable water spray nozzles for use on fire hose.

the Washington office by C. W. Pierce, president Factory Insurance Association, is considerably strengthened by the fact that he is also a member of the civilian advisory committee on fire protection appointed by the office of the provost marshal general, which has charge of all internal security matters for the war department. Mr. Smith praised the work of Mr. Pierce and that of R. E. Wilson of the Associated Factory Mutuals, who as associate manager spends his full time in Washington and whose share of the management problems has been heavy.

Phoenix of Hartford Sends Bulletin to Service Men

The Phoenix of Hartford group is sending out a home office publication to all its men in the service. One particular mailing included a book of poems by Ethel Lyman Stannard, who is in charge of the records file. The regular publication is a news letter giving excerpts from letters written by the boys to their friends in the office. These personal items are particularly refreshing and gratifying to the men out on the firing line and in the camps. It is evident that the men in the service are greatly interested in what their associates are doing in the office and what the boys in the field are writing.

Staunton, Hartford Fire, Goes with Chicago Agency

B. C. Staunton, superintendent of the marine department of Hartford Fire, has joined the W. C. Danne & Co. Agency, Chicago. Mr. Staunton will devote his entire time to the development and servicing of brokerage business for the Danne firm, which is a metropolitan supervising agency in Chicago.

Mr. Staunton has been marine superintendent for Hartford in the western department seven years. Prior to that time he was associated with Commercial Union out of New York City handling ocean marine and cotton insurance.

Protection for War Plants Extended

NEW YORK—The original list of a few hundred important war plants utilizing the services of the National Bureau for Industrial Protection has now grown to several thousand, according to Harold V. Smith, president of Home and chairman of the Insurance Committee for the Protection of American Industrial Plants. Through the countrywide services of inspection organizations and of casualty and steam boiler companies, sound engineering and safety recommendations are made available to the war department, navy department, and other agencies of the federal government. In an effort to keep the bureau's operations simple, rapid and efficient, responsibility for determining what conditions and recommendations are important enough to be reported to the national bureau is imposed on the various inspection bureaus as much as possible, Mr. Smith said.

Paying tribute to the management and field forces of the organizations which are making possible the successful conduct of the bureau's work, he said equal commendation is due fire, casualty and steam boiler insurers for the burdens which they have borne in the interest of better safeguarding the country's war resources. Efforts have been extended to the inspection, the preservation and safekeeping of the vast stores of scarce and critical materials owned by the Defense Supplies Corporation and other governmental agencies. Frequent inspections are made of practically every important storage facility.

Mr. Smith said the administration of

NEWS OF FIELD MEN

Bauer Retires; Huth to Ill. Post

John Bauer of Chicago, who has been in the Illinois field for Royal Exchange 22 years, is retiring Dec. 31. The new Illinois state agent will be Godfrey C. Huth. For the past two years Mr. Huth has been chief inspector of the internal security division of the War department in the eastern territory with headquarters in Camden, N. J. For 15 years he was with Queen as state agent in Ohio and other middle western states and then he served as Ohio state agent for Fidelity & Guaranty Fire nine years.

Mr. Bauer is an old-timer in the business. He started with H. N. Kelsey of Chicago, who operated a general agency in Indiana and Illinois for Norwich Union. Then he was connected with Sun. For a period of about 18 years prior to going with Royal Exchange, Mr. Bauer was in the Illinois field for the old Phenix of Brooklyn and its successor, Fidelity-Phenix.

Schodde with Home in Minn.

Glen Schodde, for several years an examiner for Hardware Mutual, has joined Weeks & Jackson, state agents of Home in Minneapolis. George Maxwell, special agent in the Weeks & Jackson office, has resigned to enter the army.

Indiana Pond Christmas Party

The Indiana Blue Goose will hold its annual Christmas party next Monday evening in Indianapolis. There will be a dance and a buffet lunch. Gifts will be brought for children to be distributed through the local Christmas Clearing House.

Joint Field Rally in Seattle Jan. 8

SEATTLE—The annual joint meeting of the Special Agents Association of the Pacific Northwest (western Washington division) and the Oregon Special Agents Association will be held here Jan. 8, it is announced this week by Anderson S. Joy, Travelers Fire, who is president of the Seattle group.

A large contingent of Oregon field men will be on hand. Dudley G. Allen, London & Lancashire, president of the Oregon division, will report on conditions in his state, and Mr. Joy will give a similar report for Washington.

E. W. Trenbath, Norwich Union, Seattle, and Ira P. E. Reynolds, California-Commercial Union group, historians of the respective organizations, have completed extensive research on their background and will present a detailed report at this meeting.

At an educational session in the afternoon it is planned to have three well-qualified speakers on timely insurance subjects.

M. B. Pool, Gould & Gould, is in charge of entertainment features.

Carolinas Pond Initiates Eight at Greensboro

At the meeting of the Carolinas pond of the Blue Goose at Greensboro, N. C., last week it was voted that if the annual meeting in June cannot be held the pond will retain present officers. The meeting was well attended and the following eight were initiated: H. M. Johnson, special agent Royal Exchange; Commissioner Hodges of North Carolina; A. W. Jones, hail special agent of

American of Newark; George W. Harris, marine and hail special agent American of Newark; J. W. Jones, farm special agent of Hartford Fire; George A. Munford, special agent Fireman's Fund; and Jules Squires and J. T. Ivey, Jr., adjusters.

There was a ladies bridge luncheon at noon and a cocktail hour in the evening followed by a dinner dance. The Lewis sisters, daughters of R. H. Lewis, National Union, past most loyal gander, entertained with songs. A large service flag was displayed with 20 stars indicating the number of Carolinas pond members serving in the armed forces.

Watson to Analyze Impending Changes in N. J.

NEWARK—Leon A. Watson, expert of the Schedule Rating Office of New Jersey, will explain to the New Jersey Field Club at its luncheon meeting Dec. 21 the important rule changes and forms to be used in the state commencing next year. The impending revisions will affect all existing forms, including the dwelling house policy and supplemental contracts.

The Field Club points out that present dwelling house forms policies will not be in conformity with the new rules after Jan. 1, though the Schedule Rating Office will permit use of present forms until Feb. 28. The supervisory office, however, will not sanction use of the present supplemental contracts after Jan. 1, use of the revised contracts then becoming mandatory. Present Field Club church, school and manufacturing forms will be outdated, and in the future will be furnished through the rating office.

Wallace Syracuse President

SYRACUSE, N. Y.—At the annual meeting of the Syracuse Field Club, the following officers were elected: President, William Wallace, Fire Companies Adjustment Bureau; vice-presi-

dent, Walter S. McGuire, North British; secretary, Howard Brown, Fire Association; treasurer, Leon Howell, Home. The retiring president is Richard Hooker, Aetna Fire. William Vanderbilt was appointed chairman of the committee for the New Year's party, Jan. 9.

Remembrances to Men in Service

The Wisconsin Blue Goose is sending Christmas remembrances to its members in service. The list includes Privates H. S. Anderson, F. W. Koepnick, Harold B. Martin, Hjalmar Nielsen, Jr., and Roy M. Balgord; Cadet Robert J. Hafner, Carl Sax, Dean Zahn, Lt. (j.g.) C. W. Schrock, Lt. C. J. Jens, Lt. Wm. J. Rice, Lt. D. M. Thomson, Lt. Paul L. Johnson, Capt. F. M. Weaver and Col. J. J. Donahue.

Names Woman to Ohio Post

Bertha M. Burke of Painesville, O., has been designated by Buffalo as special agent in Ohio to manage its survey and brokerage business in the state.

This is a wartime appointment in which a company has recognized the ability of a highly trained fire insurance woman. Mrs. Burke is well versed in fire insurance principles and practices, and has had experience in the analytic system. Some years ago Mrs. Burke was secretary of the Adams agency at Warren, O.

Mrs. Burke's husband, Vernon H. Burke, is Ohio state agent of Buffalo.

Plan Okla. Christmas Splash

The Oklahoma Blue Goose will hold its Christmas splash the night of Dec. 21, for members and their ladies.

A new schedule is being arranged for future meetings. Speakers will be selected from those who have filed applications for membership but have not yet been initiated.

Names added to the service flag include George B. Fears, Travelers Fire, army officers training, Fort Devens,

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Mass.: R. A. Foltz, Springfield Fire & Marine, army, Fort Sill, Okla.; A. C. Thomas, Travelers Fire, major in army, Washington, D. C.; Ray C. Snodgrass, National Union, lieutenant field artillery, Fort Sill; and E. H. Richards, assistant manager of Oklahoma Inspection Bureau.

Mich. Fire Underwriters Meet

DETROIT—The automobile filling station form No. 6, which has been editorially revised in minor respects, was explained by W. A. Gibson, Jr., state agent North British and chairman of the rules and forms committee, at the December meeting of the Michigan Fire Underwriters Association.

W. R. Ewald, Great American, presided. The guest speaker was H. J. Sheehan of the Michigan Consolidated Gas Company. O. L. Naugle of Saginaw, special agent Emmco, was admitted to membership.

Brown to La. for Phoenix

Clarkson A. Brown has been appointed state agent of Phoenix of Hartford and Connecticut Fire for Louisiana and Mississippi and Minneapolis F. & M. for Mississippi, succeeding Thomas K. Marlowe, who is now in the service. Mr. Brown was formerly special agent of Atlantic Fire of the Phoenix group in North Carolina, with headquarters at Raleigh.

Heart of America Rally

The Heart of America Blue Goose will hold its old fashioned Christmas stag party Dec. 19 at the Continental Hotel, Kansas City. Buffet dinner will start at noon. Paul Barr, Hanover Fire, is chairman. Members of the Kansas and St. Louis ponds have been invited.

Seattle Blue Goose Activities

The Seattle Blue Goose will hold its Christmas party Dec. 21 and its semi-annual meeting Jan. 25. A business meeting and initiation will precede the dinner get-together. Grand nest officers have been invited to attend.

San Francisco Christmas Luncheon

With a smaller attendance due to transportation conditions, the Christmas luncheon of the San Francisco Blue Goose, held for nine years in memory of the late John H. Schively, was held Monday. Dr. Theodore Palmquist, clergyman and former insurance company employe, gave an inspirational address. Everett Northup, Great American, made a short talk.

Walter A. Wallin has been appointed special agent in Connecticut and western Massachusetts by Northern of London. He replaces Frederick M. Dubois, who entered military service. Mr. Wallin is a graduate of the head United States office and for several years has been special agent in central New Jersey.

The Des Moines Ladies of the Blue Goose will hold a Christmas party Dec. 18, with members of the Iowa pond invited. A dance and bridge party will follow a steak dinner.

Ten members of the Minnesota Underwriters Association now in the service were remembered by their fellow field men who sent small cartons of cigarettes as Christmas gifts.

COMPANIES

Fireman's Fund Pays 75 Cents on New Stock

Fireman's Fund has declared a quarterly dividend of 75 cents a share on its newly authorized \$10 par value stock. A dividend rate of 75 cents a quarter on the new stock is equivalent to an annual rate of \$4.50 on the old stock whereas the actual dividend on the old stock that

has been paid is \$4. Thus the new dividend represents an increase of 12½ percent. The dividend is payable Jan. 15 to stock of record Jan. 5.

New Hanover Director

Arthur J. Morris, president of the Fulton Trust Company of New York, has been elected a director of Hanover Fire and Fulton Fire.

Reports on Ill. Fire Audit

The Illinois department has published the report of an examination of Illinois Fire, running mate of Millers National, as of Dec. 31, 1941, showing assets \$1,521,048, capital \$250,000 and net surplus \$1,018,141. The cost of the examination to Illinois Fire was \$678. The Arkansas examiner got \$25 a day, \$7.50 expenses, the Georgia examiner \$25 a day and \$8 expenses and the Illinois examiner \$15 a day. Illinois Fire traces its origin to 1876. It was acquired by Millers National in 1939.

New Fidelity-Phenix Directors

Fidelity-Phenix Fire has elected Walter D. Fuller, Narbeth, Pa., and Frederick P. Small, Ridgefield, N. J., as directors. Mr. Fuller is president of Curtis Publishing Company, board chairman Pennsylvania State Chamber of Commerce and trustee of Penn Mutual Life. Mr. Small is president of American Express Company and a trustee of American Surety.

Manufacturers Fire, Philadelphia and American States Fire of Indianapolis have been licensed in Illinois.

Ark. Mid-Year Rally

Draws Attendance of 100

Despite gas rationing and tire conservation, the mid-year meeting of the Arkansas Association of Insurance Agents attracted a registration of over 100 who heard Milton Mays describe the operations of the War Damage Corporation.

Arkansas local agents are seeking protection against the discriminatory insurance laws of other states, President C. S. McNew, Jr., said in his opening address, by the enactment of a countersignature and non-resident broker's license law at the next session of the legislature. He pointed out how Arkansas local agents when they write business in neighboring and other states are required usually to purchase a non-resident broker's license, ranging anywhere from \$10 to \$50, and a number of states require a division in commissions by law, often in the amount of 50 percent. Arkansas is "open territory," he said, "and as a result, Arkansas agents are paying thousands of dollars annually to outstate agents and brokers while Arkansas agents remain literally unprotected against these same producers when they write business in Arkansas."

"Our proposed countersignature bill is simply reciprocal," he said. "It merely says to outstate agents and brokers, 'Boys, you can come in and hunt in Arkansas only on the same basis that you permit our Arkansas agents to hunt in your home state. If you have a \$25 license, then we have one, too. If you demand 50 percent of the take on everything our boys bag in your states, we are going to demand the same of you when you come into Arkansas.'"

The keynote of a short talk by Manager Henry A. Ritgerod was the growing need for a continuing public relations program to correct some of the prevailing popular attitudes and misconceptions of the position of the local agent in the insurance business.

Mr. Ritgerod introduced Chief Carl S. Smalley, fire department consultant fire prevention bureau, who exhibited the recently prepared National Board film, "Before the Alarm."

NEW YORK

HONOR EXCHANGE 25-YEAR MEN

The 25-year club of the New York Fire Insurance Exchange held its an-



QUICK QUIZ

Q. In what field is December a favorable month for selling protection?

A. The Public and Charitable Institution field.

Q. What agents are especially primed to sell this lucrative field?

A. P. F. & M. agents.

Now's the time when public and charitable institutions plan their operations for 1943. Therefore, now's the time to approach them with a suitable protection program.

To tap this rich field intelligently all P. F. & M. agents are having the considerable help of a sales kit built to order for the purpose, and including—among other sales-making features—the "Program Planner".

Any agent or broker interested in P. F. & M's Organized Selling Plan—of which the December drive for institution business is a part—is invited to communicate with us.



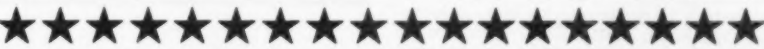
PHILADELPHIA FIRE and MARINE INSURANCE COMPANY

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Service Offices located in principal cities.

Complete Nation-wide Insurance Facilities for Agents and Brokers



nual dinner. Among the six employees eligible to membership were the first two women employees to have completed 25 years' continuous service. The club was organized May 3, 1939, with 32 charter members. Two members died in 1942, G. E. Weightman in February during his term as president and M. R. Haynes in October. There are now 45 members.

President A. S. Lindaberry spoke and presented Percy E. Brown, first vice-president, who was toastmaster. Mr. Brown presented Miss Alice Franklin and Mrs. Ethel Frey, both of whom he employed in the exchange in 1917. Congressman James H. Fay of New York, an employee of the exchange in 1913, Harold M. Hess, exchange manager and honorary club member, and F. J. Donovan, assistant manager and first president, spoke. The army and navy were represented by Capt. J. C. Apparius, quartermaster corps and H. J. Guinan, naval reserve, both former exchange employees, who were guests. The event also celebrated the birthday of J. T. Griffin, club treasurer, and Henry Siemer, past president Old Timers Association. Music was furnished by Walter Punzel of the exchange inspection department. The program was arranged by Messrs. Griffin and Bruderle of the inspection department.

BARBOUR ON RADIO FORUM

Fire insurance's contribution to the war effort was explained by Robert P. Barbour, U. S. manager Northern of London and president National Board, on a business forum broadcast over Station WMCA in New York City. In time of war materials are of more value than money, Mr. Barbour pointed out. While fire insurance may pay for destroyed goods it does not reproduce them. The fire insurance business recognizes its obligation to aid in the prevention of fires because of its technical knowledge of causes, prevention and extinguishment. Fire prevention starts with raw materials and follows them through their movements and processes. Mr. Barbour related how National Board engineers have aided in planning fire prevention facilities at military training camps. A number of questions were asked Mr. Barbour concerning war damage insurance. He stated that \$94,000,000,000 war damage insurance has been written covering about \$125,000,000,000 in values.

Rear Admiral S. V. Parker in charge of the coast guard at the Port of New York, who was also on the program, reported that the coast guard had provided the port with 14 auxiliary fire boats and 15 more have been ordered. Docks have also been provided with 15 trailer fire pumps.

Although the threat of sabotage is ever present, to date practically every suspicious case investigated has revealed that the damage has been caused by carelessness, accident, inexperience and such reasons, P. E. Foxworth, assistant director FBI, another speaker, reported.

WILL HAVE NEW OFFICE

The National Association of Insurance Agents is planning to move its office to new quarters at 80 Maiden Lane, New York City, the building in which it is now housed. Counsel Walter H. Bennett will have a separate office, perhaps in the same building, inasmuch as he will be open to employment by other interests than this organization.

LESS DETAIL GOES ABROAD

One effect of the present war which probably was started during the former war, is the decrease in demand from foreign home offices upon their United States and Canadian branches. Foreign companies have become convinced that they can rely entirely on their managers on this side of the water to carry on successfully. Far less detailed information is required. In fact, only totals are being sent. Both sides realize that it is far more expensive to send

mail across the water. Furthermore, the postoffice authorities are anxious to reduce the burden as much as possible. Naturally managers on this side having assumed greater authority and responsibility have risen to the occasion in a gratifying way. When peace comes undoubtedly there will be no reversion to the old system of having so much material and detail sent abroad.

BROKERAGE FIRMS MERGE

The New York City brokerage firms of Stewart, Hencken & Will, Bours & Co. and John O. Cole, Inc., are being merged Jan. 1, and will operate as Stewart, Hencken & Will.

George W. Will is president, William B. Connett, Albert C. Hencken, Albert F. Howard (absent on leave as a lieutenant in the navy), and William A. Bours are vice-presidents.

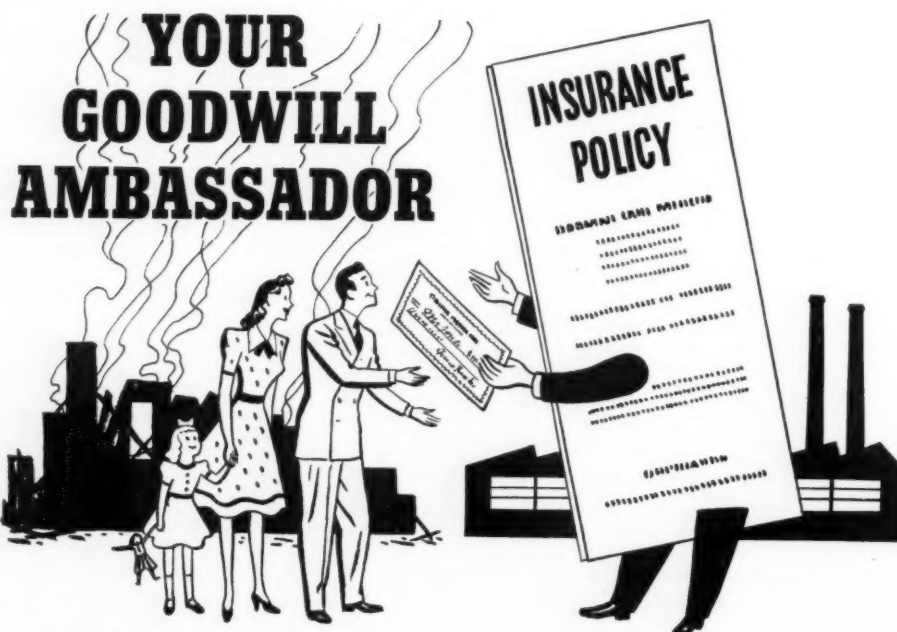
HANOVER ENTERS OBJECTION

Objecting to the reorganization plan of the New York, New Haven & Hartford Railroad, Hanover Fire has filed with the Interstate Commerce Commission a plea for more liberal treatment of holders of Boston & Providence Railroad securities. The petition states in part "that justice and

equity to the owners of the assets of the B. & P. cries out for modification, since the plan limits the price for properties which the report itself indicates are worth not less than \$19,319,173 to the New Haven, to the paltry amount of only \$5,974,253 and that payable in securities with a present worth of not more than \$3,615,804." Hanover offers an alternative proposition, under which it claims a fair settlement of values could be effected.

LOOKING FOR FIELD MEN

Companies are pursuing different courses with regard to filling the places



PERHAPS you never thought of an insurance policy as your ambassador of goodwill, but you should—for, first of all, it is your client's guarantee of security. And when disaster strikes... fire, explosion, burglary, personal injury... the claim check you deliver is more than just financial assistance; it is a source of joy and a means of relieving the effects of individual tragedy. Whenever you sell the policy of a company of Fireman's Fund Group you know your client has a tested guarantee of protection, and you have a sure foundation on which to build additional goodwill.

Fire . Automobile . Marine



Casualty . Fidelity . Surety

FIREMAN'S FUND GROUP
Fireman's Fund Insurance Company - Occidental Insurance Company
Home Fire & Marine Insurance Company
Fireman's Fund Indemnity Company - Occidental Indemnity Company

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of field men who are called into the service. Where it is possible to combine the work with that of some other man, that is done. All agree that much less traveling will be done owing to tire and gas rationing. The telephone, telegraph and mail will be used more extensively and what might be called courtesy visits will be curtailed. The field men will be asked only to make visits where there is necessity and visits merely to stimulate production will be counted out.

Some companies are sending out office men who probably may not be well equipped for field work, but for the time being can be shifted to the territory. However, there is a limit to this source, as the demands on inside workers are greater than ever. The companies hesitate to put on men of advanced years although sometimes that cannot be avoided. One field man has been called to the service and his wife has been put in charge of the territory so far as the general office procedure is concerned. She was formerly doing the work of a number of field men and so is well acquainted with the processes. In case the wife is not able to handle a particular situation, this company will send a field man from an adjoining state.

Altogether there is much uncertainty as to just what is best to do. Men from general headquarters do not want to do any more traveling than is necessary owing to the congestion, frequent delays in trains, difficulty in getting reservations, etc. There will be a great reduction in what might be termed friendly or courtesy calls on the part of the higher ups. The transportation situation is be-

coming more and more complicated. It is frequently impossible to get comfortable hotel quarters.

INCREASE IN VALUES

Companies are finding that many householders are increasing their insurance due to higher values of material and labor. There is much more rent and rental value insurance being written. Companies notice quite an increase in premiums from residences. There are examples being quoted of rent losses that have run up into money because of the priorities situation. The housing facilities in many points are insufficient and if a householder is burned out, he may find it difficult even to get a lodging place without paying a price beyond the usual basis.

FIGURES ON AGENCY BUSINESS

A number of companies are very much interested in studying the returns of the year so far as their agency business so-called is concerned. That is, the offerings that come direct from agencies and not through the factory associations or other syndicates. Companies as a rule by this time begin to see a sloughing off of their automobile business. Naturally they expect a further decline during the year. That is a prolific source of income from agencies. The inland marine business has also taken over some of the direct agency business, largely because of the personal property floater. There is activity in some regard among local merchants on account of gas rationing because people



TILLAMOOK ROCK LIGHTHOUSE, OREGON

Guardians of the Sea

Tillamook Rock Lighthouse, in Oregon, is one of the most notable and unusual light stations on the Pacific Coast. Tillamook is a high, precipitous rock, 19 miles south of Columbia River entrance and one mile from the Coast. The rock is surrounded by water over 100 feet deep, and is exposed to the sweep of the ocean. With great difficulty a stone dwelling was built on top of the rock, with an extension for the fog sirens, and a stone tower rises from the center of the dwelling. There

are 5 lightkeepers at the station because of its isolated location.

As ocean travel became more prevalent, new lighthouses were built and old ones remodeled to give maximum protection on the water. Contributing its share toward preventing loss to ship and cargo, marine insurance has kept pace with the demand for more complete and widespread protection against hazards of the sea. Appleton & Cox, Inc., specialists in this field for nearly three-quarters of a century, maintains a worldwide organization, always ready to assist on all ocean and inland marine risks.

Appleton & Cox

INCORPORATED

OCEAN AND INLAND MARINE UNDERWRITERS
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BRANCHES IN PRINCIPAL CITIES



IN THE BLACKED-OUT WORLD MAY THE LIGHT OF CHRISTMAS BE RADIANT

How symbolic of the Yuletide is the Christmas tree with its lustrous ornaments and sparkling lights—and how indicative it is, too, of the hope of the world, especially this year when Truth and Right themselves are fighting for their very existence.

That the hope and light of this Christmas may glow warmly for you, too, is the sincere wish of

The **HANOVER FIRE INSURANCE CO.**
of New York

The **FULTON FIRE INSURANCE CO.**
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111 John St.
New York

WESTERN DEPT.
Ins. Exch.
Chicago

are not driving to more distant points to shop. Therefore, there probably will be temporary prosperity among local merchants if they are able to get merchandise.

The big war industry risks are almost all placed through factory associations. Therefore, the company premium income may be up by and large and yet its agency business may not be breaking even. Next year the premium income is very liable to show a falling off because company officials now feel that the big bulk of expansion and building work is over so there will not be the call for the great stimulus that has been present all through 1942.

CHICAGO

U.&O. LEVELING DOWN

Western departments and companies doing business in the west see a marked decline in offerings of use and occupancy insurance especially on the larger risks. When the war production began and was soon in full blast there was almost a frantic attempt to get U. & O. coverage. It kept the experts busy figuring out the details. However, it seems that most of the large risks that desired this form of indemnity have secured it. There have been no serious U. & O. losses. The companies have been fortunate thus far. Naturally they have their fingers crossed because it would be possible for offices to be dented by some losses. Companies, however, have been cautious in their underwriting and have not exposed themselves in a single assured to undue liability. They have reinsured their lines down where they have had to take liberal ones to accommodate agents.

There are still opportunities to sell U. & O. to smaller concerns. Now that the big rush is over undoubtedly agents will give more and more attention to the smaller policyholders.

TELLS OF SYNTHETIC RUBBER

C. N. Comegys, manager of the Oil Insurance Association, addressed a special meeting in Chicago of the Western Conference of Special Risk Underwriters on synthetic rubber. This was an especially interesting subject, because the Oil Association is insuring the new synthetic rubber plants.

ROUND TABLE KNIGHTS GATHER

The annual luncheon meeting of the Knights of the Round Table of the Union League Club of Chicago brought out a group of 38. As usual it was an hilarious gathering with gridiron form of entertainment arranged by Clark Munn, manager Cook County Loss Adjustment Bureau; Russell D. Hobbs, manager, and R. E. Vernor, manager fire prevention department Western Actuarial Bureau. The sport this year consisted of the candidates for knight and esquire being charged with a variety of sins and then each candidate being required to read a statement of his confessions and qualifications, as prepared by the committee.

Those advanced from esquire to knight were J. R. Cashel, manager Providence Washington; W. L. Maxwell, manager Hanover; H. R. Hanawalt, co-western manager of National Fire; Fred M. Gund, western manager of Crum & Forster. W. S. Whitford, executive vice-president of Millers National, was advanced from neophyte to esquire.

Officers were reelected. A. F. Powrie, Fire Association, is president; S. M. Buck, Great American, vice-presi-

dent; Carl Ingram, Great American, scribe, and sergeants-at-arms E. G. Frazier, Springfield; Roy A. Sellery, Western Adjustment, and C. W. Ohlsen, Sun.

ACCOUNTANTS SLATE SCHROEDER

The Insurance Accountants Association of Chicago will hold its annual meeting and Christmas party at the Atlantic hotel Dec. 17. The election of new officers and consideration of business will precede dinner. Roger Johnson of Aetna Fire is president; R. H. Schroeder, Maryland Casualty, vice-president, and W. F. Hacker, John Naghten & Co., secretary-treasurer. The

slate prepared by the nominating committee proposes Mr. Schroeder for president, Elmer Johnson, Osborn & Lange; Miss Mabel Marsden, Northern Assurance, and Mr. Hacker for vice-presidents, and Benjamin Roberts, W. A. Alexander & Co., for secretary-treasurer.

BECKER TALKS ON TAX ISSUES

Benjamin M. Becker of the law firm of Levinson, Becker, Peebles & Swiren is addressing the meeting of producers and clients of Fred S. James & Co. of Chicago Thursday on "The Revenue Act of 1942 and Planning for 1943 Taxes." He will take up such ques-

tions as changes in rate of tax, victory tax, tax considerations in purchasing insurance, pension trust and estate matters.

Olin L. Brooks, president of Globe & Rutgers Fire, visited the Chicago office for several days.

John L. Connor, vice-president and treasurer of Dargan, Whittington & Connor, Atlanta agency, and president Southern Federal Savings & Loan Association of Atlanta, has been reappointed Georgia state chairman of the \$3,000,000 war savings bond drive. Mr. Connor handled the 1942 drive with conspicuous success.

WHAT! SANBORN MAPS OVER HERE?



YES—Sanborn Maps ARE "over there"—in the thick of Uncle Sam's fight! This wartime activity is their first venture outside the field of fire maps since 1866. Members of the fire insurance fraternity now serving in the armed forces have been surprised and happy to recognize "in uniform" an old and trusted assistant.

The United States Army Map Service selected the Sanborn Map Company to assist in preparing aeronautical charts and other maps for use on battlefronts all over the world. We know you will approve of this important undertaking, as do our experienced and highly trained field men and publishers, who are thus doing their part in the promotion of the war effort. Our present facilities are sufficient to do justice to current service for the fire insurance fraternity notwithstanding the rush of war work. We promise to resume our normal activities when victory has been won.



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BURGLARY AND PLATE GLASS UNDERWRITER

Here is a man, 44, with 25 years experience, both as underwriter and inspector. Pleasant personality.

FERGASON PERSONNEL

Insurance Personnel Specialists
166 W. Jackson Blvd. H.A.R. 9040, Chicago, Illinois.

INSURANCE MEN IN ARMED SERVICES

Lieut. (j. g.) **George B. Patterson** of the navy, who was a student in the North America's fire training class when he entered the service in February, 1941, has been reported missing in action. This is the first casualty report among 325 employees of North America now in the service.

Clyde Bethshares, local agent of Humboldt, Tenn., has placed **W. W. Hamilton** and **Mrs. Pattie L. DeBerry** in charge of his agency while he is in the army.

Earl C. Stewart, formerly with Guarantee of Los Angeles, now is a major in the army air corps, assigned to the office of the military attaché of the U. S. legation at Melbourne, Australia.

T. N. Hay, Los Angeles manager of Central Surety, has been commissioned a lieutenant in the navy. **Jack V. Watson**, formerly special agent in San Francisco, succeeds him in Los Angeles.

Edgar H. Donaldson, Los Angeles city supervisor of U. S. F. & G., has been inducted into the army and has reported at Ft. McArthur.

Howard McGuff, automobile underwriter of Maryland Casualty in Los Angeles, enlisted in the army, while on a visit to his former home in Chicago.

Gordon McClellan, special representative in charge of the Louisville office of Maryland Casualty, has been granted a commission as lieutenant (j. g.) in the naval reserve and reported at Hollywood, Fla., on Tuesday. From 1940 until March of this year he was field assistant in casualty and surety for Travelers in Cincinnati and Indianapolis and since that time has been with Maryland Casualty in Louisville.

Joseph A. Boyce, Portland, Ore., manager of United States Fidelity & Guaranty, is entering the army transport service as second lieutenant. He will be succeeded by **W. Talbot Sinclair**, for 20 years manager in Syracuse, N. Y.

Paul Goldenbogen of the A. F. Goldenbogen Company, Cleveland, has enlisted in the army.

Norman Beris, son of Benjamin Beris, president American Glass Company, Chicago, a student at Northwestern University has just enlisted in V-1, naval reserve. **Norman Beris** is 17 and a graduate of New Trier high school. He will continue his studies at Northwestern until called to active service.

Brayn Sloan, formerly with Sloan & Co. of San Antonio as special agent and more recently operating as an independent adjuster, has been inducted into the army.

Frank J. Carlson, casualty underwriter of the Kurt Hitke & Co. agency, Chicago, was tendered an office party upon being inducted into the army. **E. H. Rieke**, agency manager, on behalf of Mr. Carlson's associates presented him a testimonial containing good wishes and signatures, and a substantial sum of money contributed by those in the office. General Agent **Hitke** presided over a buffet lunch. Mr. Nelson has been connected with Hitke & Co. for 15 months and previously for 4½ years was associated with R. A. Napier & Co.

R. C. Angell, who was assistant man-

ager of Safety & Claims Service, Inc., of Chicago, and who enlisted in the army air force last August, has now been transferred from Albuquerque, N. M., to the army advanced glider base at Wickensburg, Ariz. Mr. Angell had been with the Safety & Claims Service since 1935.

R. L. Bernard, state agent for Anchor Casualty for western Iowa, Nebraska and South Dakota, began his basic army training at Camp Robinson, Ark., last week.

Walter G. Perry, Jr., Pittsburgh, marine special agent of Fireman's Fund, has been commissioned an ensign in the navy.

Emmerson W. Rounds, Erie, Pa., claim supervisor for Liberty Mutual, has been commissioned a lieutenant (j. g.) in the naval reserve.

Kenneth H. Fillinger, Wilkensburg, Pa., adjuster for the Continental Casualty out of the Pittsburgh office, has been commissioned a lieutenant (j. g.) in the naval reserve.

Two members of the Seaboard Surety organization in Chicago departed this week for military and related service.

Robert G. Marshall, assistant man-

ager, reported at the Hollywood Beach Hotel near Miami for an indoctrination course, having been commissioned as a lieutenant (j. g.) in the naval service. Several months ago he underwent an operation in order to meet the physical requirements. He had been seven years with Seaboard Surety.

Arthur M. Jens, Jr., whose principal activity has been in the claim service, has gone with the T.W.A. Air Lines. His father is a vice-president of Fred S. James & Co. of Chicago but is now engaged in important work pertaining to protection of naval facilities.

George D. McClure, head of the agency bearing his name in Dallas, has enlisted in the air force ground service of the army. During his absence his business will be handled by **W. W. Peevey**, assisted by the office staff.

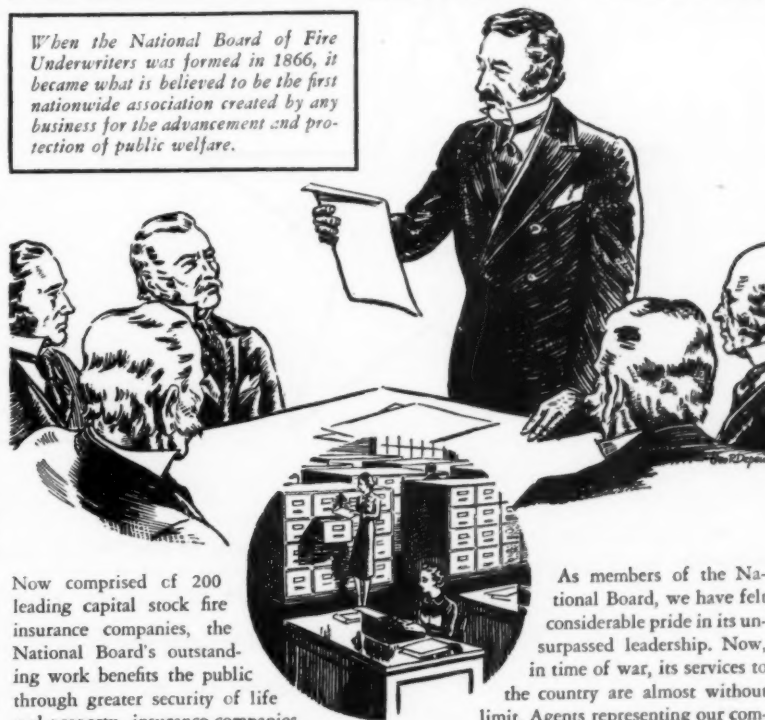
Minott P. Rowe, assistant secretary of Worcester Mutual Fire, Worcester, Mass., has received a commission as lieutenant, senior grade, in the navy, and reported for duty in Washington.

Harry Lewis, adjuster in Los Angeles for Ohio Casualty, has joined the coast guard.

W. G. McKnight, who was in the Minnesota field for Fire Association until he entered the army about three months ago, has now been transferred

HIGHLIGHTS IN INSURANCE HISTORY

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to the army administration officers candidate school at Fargo, N. D. He has been located at Ft. Leonard Wood, Mo. He is a corporal.

Companies Are Not Too Concerned Over Survey Business Under Gas Curb

Few companies appear to be worried especially about special agents being able to make inspections of property insured by survey agents.

One company early this year asked its field men to advise a number of its survey agencies that hereafter they would have to be on a recording basis. The field men thought they would lose many of these agencies. Over the years a number of survey agents had been appointed in towns of up to 4,000 and 5,000 and the company object was to eliminate all but those in towns of 2,000 or less. The field men expected trouble, but most of the agents were extremely pleased that they could write their own policies. They said they just assumed the company wanted them to do business the other way.

The survey agent in towns of 2,000 or less is very likely to know the condition of the property, and this information can be secured from him by mail. It is certain that the special agents will not be able to do the inspection work on survey business that they have done before, but this will not work any great hardship on the company. Business in small towns will be better so long as residents can't drive to larger centers to trade.

The frequent contacts of special agents with sub-agents is primarily for the benefit of the latter and only incidentally as a checkup on the property.

One company ran into some resistance when it sought to make recording agents out of survey agents. The same company has had to change a few recording agents back to a non-recording basis because they were unable to handle policy writing. The type of business secured from the typical survey agent in a small town is, according to fire insurance people, generally of a very good quality, perhaps better than recording business as a class.

California Agents Study Convention Situation

SAN FRANCISCO—Because of war conditions and the dubious outlook for general business, directors of the California Association of Insurance Agents at the first meeting of the new administration at Oakland did not select a place or date for the 1943 annual convention. Instead, a special committee headed by I. D. Wheeler, Santa Monica, was appointed to study conditions and report at the June board meeting.

The directors approved committee appointments, among which were re-appointments of these veteran chairmen: Adherence to the declaration of guiding principles, G. C. Appleton, Fresno; legislative and finance, Neal Harris, Oakland; rural agents and farm, H. J. Thielen, Sacramento.

They discussed the outlook and agreed to continue all activities wherever practical, including the usual regional meetings.

In view of membership growth this last year, a 10 percent gross increase was decided upon. This activity will be under supervision of R. E. Bach, San Diego, new vice-president and membership chairman.

An open session was attended by Floyd Lobree, Fireman's Fund, president; Roy Scheller, London & Lancashire, and Bert Bonstin, New York

Underwriters, representing the Special Agents Association of Northern-Central California; Harold Minkler, Hartford Accident, representing Casualty Fieldmen's Association; Vincent Kerans, Corroon & Reynolds, president Southern California Fire Underwriters Association; S. L. Carpenter, Jr., manager Pacific Board, and John H. Breckon, Business Development Office.

Sales promotion and educational program were discussed. The promotion program conducted by the fieldmen will be continued wherever possible. Early in January a new class under the auspices of the Insurance Institute of California will be launched. This course consists of 22 lessons and has been held in several communities.

Jacobs Publishes Dallas Paper

Lorry A. Jacobs, veteran insurance editor, pioneer in insurance advertising and recently public relations director of Southland Life, has become publisher-for-the-duration of the "Insurance News Graphic," Dallas. He will be pinch-hitting for Don Coates, owner and publisher, who has been in service for some time and is now assigned to the marine recruiting office in Dallas. Mr. Jacobs will continue in governmental activity connected with the war effort and will devote as much time to the insurance pub-

lication "as is necessary to get the job done."

J. P. Thornton, former president of the National Metals bank at Hancock, Mich., is now handling the insurance department of the First Service Co. of Minneapolis. The insurance agencies of about 50 banks in Minnesota, North and South Dakota and Montana are under his management. Mr. Thornton is filling the post held for the past 10 years by the late Don Lundsten.

WDC Questions Answered

Mortgage clauses are "inappropriate" for attachment to War Damage Corporation policies, President W. L. Clayton of WDC has ruled in a letter answering a question put by President C. O. Pate of the Insurance Brokers Association of New York. Mr. Clayton said it is also inappropriate for the WDC to prohibit the cancellation, reduction, or transfer of a policy without the consent of the mortgagee named as loss payee. The main danger of a mortgagee's being left unprotected would arise in the event the insured mortgagor sold the property without the mortgagee's knowledge. Mr. Clayton pointed out that the mortgagee could protect his interest by being named as joint insured. However, rela-

tively few of the war damage policies so far issued are so written. Another method cited by Mr. Clayton would be for the mortgagee to purchase war damage coverage on its own account.

Warns Insurance to Drop Veil of Secrecy

(CONTINUED FROM PAGE 4)

be needed, but the country needs intelligent regulation rather than elimination of private enterprise. It is well to remember, Mr. McFarland pointed out, that all the leaders of this war secured their positions through the radio—Hitler, Stalin, Mussolini, Roosevelt and, to a lesser degree, Churchill. With such a powerful demonstration of the value of propaganda, American business should take heed and be ready to tell its story to the public.

Fire Protection Forum

The Wednesday morning session on fire protection of industrial plants was extremely popular and provoked an animated discussion after the talks of the four speakers, C. R. Welborn, Chicago, secretary Underwriters Labora-



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tories, R. E. Vernor, Chicago, fire prevention manager Western Actuarial Bureau, A. L. Brown, Boston, chief engineer Associated Factory Mutuals, and Joseph Lump, Gary, Ind., fire chief Carnegie-Illinois Steel Corporation. The session ran over its allotted time and was adjourned with difficulty. Among the important and timely topics brought up in the discussion were protection against the fire hazards of high volatile coal stored in the large quantities many firms have accumulated and satisfactory methods of fire proofing wood. There was also a considerable discussion on whether a plant safety organization should stress fire protection of routine operations or dangers from air raids and incendiary bombs, the unanimous opinion being that operations are far more important and bad fires from routine operations are occurring daily, while air raids are still unrealized. It was also pointed out that the German air force has already changed its incendiary bombs in raids over England and, if this country should be attacked, the enemy would undoubtedly use materials altogether different from the ones now known and studied in civilian defense and air raid precautions courses.

The talk of J. C. Kemp, New York, on the services of insurance advisors on government contracts was ably handled and well received, but very little discussion materialized. Apparently most of the corporations represented, being predominantly heavy manufacturing and public utilities, rather than contractors, have not been concerned with these contracts as yet. There was considerable interest in Mr. Kemp's subject on the part of insurance men present, but it was the last talk of the meeting and most of the insurance men preferred to leave the initiative in starting discussions to the insurance buyers.

Brokers File Suit Against Chicago Board

(CONTINUED FROM PAGE 3)

ate in rate demoralization and exposure of the broker's business to attack as to price. One broker said the Chicago Board had given him a sense of security in this direction that he would not want removed.

Mr. McConnell replied that the Chicago Board no longer has jurisdiction over rates. That is the province of the Cook County Inspection Bureau. He said he favors a system whereunder a state licensed rating bureau makes the rates but individual companies may deviate upon making proper filing.

Mr. McConnell expressed impatience with leaders of the board, saying that they had been "stalling" and would not

face the issues presented by the brokers.

Ray H. Johnson, president of the association, was the presiding officer. He voiced the opinion that attendance at the meeting would have been larger except that many brokers had been "coerced" by supervising agents to stay away.

President Johnson presented Nora Hosty, the new executive secretary. Mrs. Eleanor Lamey has resigned due to ill health. Miss Hosty formerly was secretary to the vice-president of National Bank of the Republic in Chicago and more recently connected with the U. S. Department of Labor.

The Chicago Board situation is this week receiving attention at meetings of several groups. The Insurance Brokers Association of Illinois held its gathering Tuesday afternoon. That noon there was a luncheon of Chicago Insurance Agents Association to discuss the subject and also that afternoon there was a meeting of the officers of the board with the Chicago company managers that are class 1 members. Then on Thursday afternoon comes the special meeting of the board to act on proposals to give the brokers and class 2 agents representatives a vote at meetings of the directors and of the corporation, to enlarge certain committees to provide for broker and class 2 membership thereon and to pass upon a number of proposals clarifying the rules relating to expense allowances and entertainment of various kinds for class 1 agents.

At a press conference Wednesday morning copies of the complaint being filed by Mr. McConnell were released at the headquarters office of the brokers association. The defendants are 23 insurers, which, according to the complaint, have refused to accept business either from Mr. Slagle or Mr. Nolan. The bill asks for a writ enjoining these companies from refusing to pay commissions to the two brokers because they are not members of the board, and that the Chicago Board regulations involved be declared to be an illegal and unlawful combination and conspiracy.

The action is being filed in the federal court on the ground of diversity of citizenship.

The bill states that the defendant companies are not members of the Chicago Board and have no legal contract or agreement with the board as such, which is in any way involved in this litigation, but that the organization in its acts and doings and in the listing of names of so-called "affiliated" companies with whom the brokers must do business in order to be eligible for membership in the board is under the domination and

(CONTINUED ON PAGE 32)

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EDITORIAL COMMENT

Keeping Up with the Social Planners

The proposal of Wesley T. Hammer that the accident and health writing companies get together and bring out a uniform income insurance plan for workers on a non-occupational basis strikes us as having a great deal of merit and indicates that Mr. Hammer is exercising real imagination in seeking a solution to the future position of private insurance in the face of the onward march of the idea of having the government cushion the vicissitudes of existence for the individual. Mr. Hammer who is in charge of accident and health business for Commercial and Metropolitan Casualty in New York City sketched his suggestion at the meeting of the Insurance Advertising Conference.

He said he is convinced that the accident and health companies should insure many more people and that this can be done if a simple, basic proposition is put forward that everyone can understand. What he proposes is an income insurance plan which every company in the business would sell on exactly the same basis and could be sold to everyone who works at exactly the same price. His idea is that the plan would be based on the present standard group disability contract. It could be sold on a real group basis, on an intermediate or semi-group basis for small aggregations of employees and on an individual basis. Under his proposal, both health and accident benefits would be provided and no person could buy more than a maximum amount, say \$25 a week. The price should be shaved to almost a cost basis. Each company would issue its individual policy but there should be a central office for collation of experience and formulation of general underwriting policies and where selling practices could be guided.

It is significant that Mr. Hammer advances this proposal just at the time that Sir William Beveridge made his comprehensive report in England recommending extensive expansion of the social security program in that country. Mr. Hammer apparently apprehends that the day will come when those advocating the elimination of charity and the dole and the substitution of a grand and comprehensive social security scheme will charge that private insurance is not prepared to do more than scratch the surface. For purposes of public argument, we are inclined to believe that the insurance business will not be able successfully to contend that what it has done and is doing measures

up to what the advanced social planners believe should be done through public schemes. The magnificent expansion of group insurance would be the most impressive evidence that the insurance interests could summon and if it were not that the public schemes being advanced are so breathtaking in their scope it might be assumed that the natural growth of group insurance could be relied upon to give a very satisfactory measure of protection to a large segment of the population.

As a matter of fact, between group insurance and the present social security program employees of the larger corporations are being provided for rather comfortably but when it comes to reaching the person of small means who is individually employed and cannot easily be treated under a mass plan the government has had nothing to offer in the way of social security based upon a premium paying principle. In this field the industrial life and accident and health agents and companies have performed a great service but here again those that are bent on fashioning a Utopia would dismiss industrial insurance as nothing. Perhaps the government having gained a lot of experience in cataloguing 130,000,000 individuals and having set up the machinery through gasoline rationing, sugar and coffee rationing, etc., may now feel that previous impediments to dealing with those that have been excluded from the social security program, no longer exist and that the rationing system could be easily converted to social security purposes.

We believe it is important for the insurance business at this time to consider how its personnel and machinery might be utilized to do some of the things that the social planners desire to have done. If some such plan as Mr. Hammer envisions were put into operation it seems to us that insurance companies might have a very potent talking point in suggesting that social security be left on a voluntary basis in those fields natural to private insurance and that the public scheme be confined to those fields such as maternity benefits in which true insurance principles and opportunities are lacking. If the insurance business were to produce such a program along the lines that Mr. Hammer suggests and at the same time if company actuaries and other leaders in the business were to assume leadership in helping to advise the whole pattern of social security

proposals then we feel that the final decisions that are made would be sounder and the welfare of the insurance business would be better protected.

PERSONAL SIDE OF THE BUSINESS

H. F. Shea of Montpelier, Vt., vice-president and treasurer of the Paige & Campbell agency, who was elected chairman of the advisory board of the New England Associations of Insurance Agents recently, has been in the insurance business since 1931. In that year he took over the interests in the agency of his father-in-law, Charles Paige. Just previous to that he was sales manager for the Chrysler distributor in Vermont and had been connected with the National Cash Register Company more than 10 years.

He was president of the Vermont Association of Insurance Agents in 1937, 1938 and 1939 and was national councillor for 1940 and 1941 and at the present time he is state director. The Paige & Campbell agency has offices in Montpelier and Barre. Mr. Shea maintains his home in Montpelier.

He is vice-president of the Long Trail Council Boy Scouts of America, and chairman of the Montpelier salvage committee.

Kurt Hitke, head of the Kurt Hitke & Co. agency of Chicago, was sworn into the coast guard reserve and henceforth will devote one day a week to patrol work on Lake Michigan. He was one of a class of 500 who took part in the ceremony which was broadcast over radio station WGN.

Capt. Donald L. Thompson, son of **Stuart G. Thompson**, president of Stuart G. Thompson-Elwell Co., Seattle, who is piloting a flying fortress in the Orient, was one of the fliers shown in a recent newsreel depicting the American raid on Hong Kong.

R. M. Huyler, adjuster in charge of automobile losses for the America Fore fire companies, has been elected commander of the South Shore (L. I.) Power Squadron, one of the largest units of the United States Power Squadron. The South Shore squadron has about 600 members and its present activities are primarily the teaching of piloting and navigation to yachtsmen and members of the Coast Guard auxiliary and reserve.

Ray Tucker of the Tucker-Johnston Agency, Pittsburgh, was elected a director of the chamber of commerce for three years. He is also president of the Western Pennsylvania Safety Council and secretary of the Allegheny county school board.

Commissioner **Eugene E. Agger** of New Jersey is being boomed as a candidate for governor of New Jersey in 1943.

Arthur J. Stock, Detroit local agent, will observe his 40th anniversary in the insurance business there Jan. 2.

Howard Brown, special agent for Fire Association in central New York, is now recovered from a broken leg which he suffered while working around his home in Cazenovia several weeks ago. He is again able to get around his territory.

A testimonial dinner was tendered to State Agent **Samuel H. Reiter** of American of Newark group in Newark by field men in celebration of his 30 years'

service. He was presented a silver service. Associates, present and past, attending included Special Agents J. A. Semple, Palmer Weis, O. R. Carlson, E. M. Neary, W. L. G. Johnson, now manager Philadelphia office; V. L.



SAMUEL H. REITER

Pitchford, W. R. Webster, now in eastern New York; John Weniger, now in Baltimore; M. W. Martin; Carl Wagner and DeWitt Meyers, now in Harrisburg; E. J. Keller, J. A. Bannon, and Frank Cornish and Joseph Ward, New Jersey special agents of Bankers Indemnity, casualty affiliate.

Others attending included L. E. Kietzman, secretary and supervisor of the territory; J. P. Young, assistant secretary in charge of underwriting; E. D. Elder, general adjuster; E. A. Davis, superintendent automobile department; Thomas Hutch, insurance analyst, and S. E. Parker, special representative.

Walter W. Belford, Minnesota state agent of National Union Fire, who lost two fingers in a hunting accident a few weeks ago, has resumed his field activities.

George C. Long, Jr., president of Phoenix of Hartford, and **James L. Howard**, vice-president of Travelers, were members of the Connecticut alien hearing board that conducted a hearing in Hartford to determine whether Richard Julius Herman Krebs should be interned, paroled or released as a German alien. Krebs is the man who under the pen name of Jan Valtin, wrote the sensational book, "Out of the Night." This was based on his experiences as agent of the Russian and German secret police.

P. S. Beebe, assistant manager of Hartford Fire in the western department in Chicago, underwent an operation there last week and is recuperating. He expects to be back in the office by the first of the year.

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Mr. and Mrs. Fred J. Summer, owners of the Summer Agency in south Chicago, are combining a two-month trip to the west with a stop-over at Alexandria, La., where their son is stationed at Camp Livingston.

Ralph G. Hinkley, New England manager of American, has been appointed Massachusetts state fire watcher and will have charge of the organization of fire watchers as part of the air raid protection service of the Massachusetts Committee on Public Safety.

DEATHS

William H. Graham, Sr., president of the Graham & Newton agency, Syracuse, N. Y., died in a Syracuse hospital, following a lingering illness which culminated in pneumonia. He had served for about 15 years, until his death, as secretary of the Syracuse Underwriters Exchange.

James A. Simpson, an examiner with the Atlanta office of Hartford Fire, died in Clearwater, Fla.

Richard F. Pierce, 48, Boston broker, died the past week as a result of injuries sustained in the Coconut Grove night club fire. His wife was also a victim of the fire.

John J. Dunn, 44, head of the legal department of the General of Seattle, died there. Mr. Dunn, a native of Minneapolis, was graduated from the University of Washington law school in 1922. From 1925 to 1930 he served as deputy prosecutor at Seattle and then entered private practice. He became head of the General's legal department in 1938.

W. J. D. Casey, 50, long connected with the local agency of Mills & Honnes, New York City, died suddenly. He had been in insurance work for many years.

George C. Donlan, 65, office manager of the Alexander Smullan & Co. agency of Chicago, died in Presbyterian Hospital of pneumonia which developed while he was there undergoing treatment for another disorder. He had been with the Smullan offices 27 years and prior to that was with John Naghten & Co. Funeral services were held Monday.

Suggestion Gets Better Results Than Compulsion

Professional fire prevention experts capable of intelligent adaptation to current conditions, especially inspectors representing fire insurance companies or municipal fire departments, today have been given an unprecedented opportunity to make their work more effective than ever before, it was asserted by William H. Rodda, engineer of the American Mutual Alliance, Chicago, in addressing the fire prevention inspectors' section of the annual Pennsylvania State College Fire School.

Part of the job, he said, always has been to overcome the resistance natural to the owner or manager of the property being inspected. When fire hazards are found the one responsible for their presence usually feels that the discovery is a reflection upon his managerial ability, and sometimes resents the recommendation that the hazard be removed. Hence the most valuable qualification of the fire prevention inspector is his ability to get his recommendations complied with without the use of coercion. The discovery of fire hazards has become of less importance, since few professional inspectors have much trouble with this part of the job.

War conditions have made it necessary to give many individuals some degree of authority over the property-owner or manager of a business enterprise, and the human tendency to issue orders rather than suggestions—when the power to enforce orders is present—is likely to make many property-owners or managers resentful.

Suggesting correction of fire hazards is a much more effective way of doing the practical job of fire prevention than the issuing of orders. Agreeing with fire prevention suggestions which the property-owner has been guided into making is even more effective.

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MICHIGAN FIRE & MARINE INSURANCE COMPANY	DETROIT, MICH.
NEW ENGLAND FIRE INSURANCE COMPANY	SPRINGFIELD, MASS.

OF FIRE INSURANCE COMPANIES

To Progressive Agents—

May we show you concrete proof of business produced for our agents by our Tested Sales Aids? These sales methods will produce for you.

Ask To Have Our Fieldman Visit You

New York Underwriters Insurance Company

Under management of
A. & J. H. STODDART

Ninety John Street

New York



TREMENDOUSLY powerful as a force in building America is the fact that Americans are the best informed people

in the world—largely because of the 20th century magic of radio.

Over fifty million receiving sets (more than half the world's total) bring to American citizens news, education, and entertainment from near-by points and from the far corners of the globe. Similarly our transmitting stations make the most distant lands America's neighbors.

The astounding development of radio has occurred in two decades. In 1922 there were but 30 broadcasting stations in the U. S. A.—in striking contrast to the 923 stations now operating on the regular commercial broadcast bands.

In its innumerable applications of communication and detection, radio's contribution to the war program of the United Nations is of incalculable value.

Protecting America!

By its broadcasts to millions of eager listeners, with time and distance practically eliminated, the voice of radio helps to protect America and serves the Cause of the United Nations by its modern application of "Forewarned is forearmed."

Against losses from fire, windstorm, explosion, and other contingencies concerning which there can seldom be forewarning, INSURANCE offers a dependable method of *forearming*. By applying all the measures known to modern engineering for the conservation of life and property, insurance renders its prime service of *loss prevention*. And where such care fails to prevent disaster, insurance provides financial reimbursement for loss sustained, thus providing a bridge of security between present plans and their fulfillment.

Inquiries are invited regarding the extensive underwriting and service facilities of the Royal-Liverpool Groups.

AGENTS AND BROKERS—Have you told property owners in your area about the importance and availability of War Damage insurance?

ROYAL LIVERPOOL GROUPS

ONE HUNDRED FIFTY WILLIAM STREET, NEW YORK, N. Y.

AMERICAN & FOREIGN INSURANCE COMPANY • BRITISH & FOREIGN MARINE INSURANCE COMPANY, LTD. • CAPITAL FIRE INSURANCE COMPANY OF CALIFORNIA • THE LIVERPOOL & LONDON & GLOBE INSURANCE CO. LTD. • THAMES & MERSEY MARINE INSURANCE COMPANY, LTD. • QUEEN INSURANCE COMPANY OF AMERICA • THE NEWARK FIRE INSURANCE COMPANY • FEDERAL UNION INSURANCE COMPANY • ROYAL INSURANCE COMPANY, LTD. • THE SEABOARD INSURANCE COMPANY • STAR INSURANCE COMPANY OF AMERICA

The NATIONAL UNDERWRITER

December 17, 1942

CASUALTY AND SURETY SECTION

Page Seventeen

War Damage Money and Securities Plan Starts Next Monday

Casualty, Surety Carriers to Use Central Office, Four Rate Classifications

NEW YORK—War damage insurance on money and securities will be available Dec. 21, according to an announcement this week of the Bruce Angus advertising agency here. It stated that coverage would be written in War Damage Corporation through a group of casualty and surety companies writing fidelity and burglary business, known as Money and Securities War Damage Group, with headquarters at 111 John street.

It was announced last week that Walter Kent, formerly with Peerless Casualty here in an executive surety position, would be in charge of this new line.

Premises and Transit Cover

Money and securities may be insured, the announcement states, while on the premises of the assured, in vaults and in transit, except by registered mail or express. Registered mail and express coverage has been available for some time through the regular WDC channels.

The coverage is the same as that of other WDC protection, against "enemy attack, including any action taken by the military, naval or air forces of the United States in resisting enemy attack." It covers money and securities owned by the assured or held by him in any capacity and there are no restrictions as to eligible assured. Property may be covered in rented safe deposit boxes, while deposited with a bank or stock broker, etc., and fiduciaries may also cover property entrusted to them.

Although no official announcement has been made by War Damage Corporation as yet, it is assumed that casualty and surety companies will play the role of fiduciary agents, just as fire companies have done in the other war damage lines and that business will be written through the regular producing channels. However, the announcement stated that applications will be received and policies issued for all companies at the central office, and that coverage will be effective from the date of mailing the application by the producer to the office. In this respect, money and securities coverage will differ from the other war damage lines, in which policies are issued by the individual companies and insurance is not effective until the day the application is received by the fiduciary agent.

Scale of Rates

There are four classifications: A, money and securities in preferred vaults; B, in other vaults; C, on the

(CONTINUED ON PAGE 25)

F. & D. Is Now in Own N. Y. Building

Handsome, Six Story Structure Is in Center of Insurance District

NEW YORK — Opening of the handsome, six-story structure which will hereafter serve as New York headquarters of Fidelity & Deposit was held Monday. A red brick, southern colonial style building at William and Ful-



G. WILLIAM CRIST

ton streets, located in the heart of the insurance district, it is diagonally across the corner from the new building of the Aetna Life group and across the



ASHBY C. TAYLOR

street from the Royal-Liverpool building. Removal of the New York office into new quarters precedes by only three weeks the 48th anniversary of the

Medical Expense Plans May Grow

Appointment of Pink to Hospital Plan Place May Bring Action

NEW YORK — Rapid expansion in the activities of medical expense plans for paying doctors' bills is expected to be one result of Superintendent Pink's becoming head of Associated Hospital Service Jan. 1 when he leaves the New York department. So far none of the New York City medical expense plans has made much progress.

Community Medical Care, Inc., an affiliate of Associated Hospital Service, was fathered by the late Dr. S. S. Goldwater, president of A. H. S. Teamed up with A. H. S. it should have made rapid strides but it was opposed by the organized doctors, who backed the Medical Expense Fund, which was organized and promoted by Dr. Frederick Elliott.

Rivalry Has Faded

Since the rivalry between Dr. Goldwater and the Medical Expense Fund has shown signs of fading out since the former's death, it is regarded as quite likely that some arrangement will be developed under which Community Medical Care and the Medical Expense Fund can both enjoy the support of the medical fraternity and the Associated Hospital system. In fact, the possibility of a merger of the two medical expense organizations is being talked about.

There is also a third medical expense organization, Group Health Cooperative, of which Dr. Kingsley Roberts is the medical head. Backed by a grant from the Rockefeller Foundation, it is being actively promoted by Winslow Carlton, son of Newcomb Carlton, veteran board chairman of Western Union Telegraph. It is understood that this organization would also like to be in on any arrangement that would result in the support of the hospitals and the organized doctors.

company's first office in this city, only four years after the company was founded.

After the entry of the United States into the war, plans for the building were modified to permit the use of reinforced concrete instead of steel in the framework. Substitutes for metal and other scarce materials were used whenever possible. The building is entirely sound-proofed and air-conditioned, orders for this equipment having been filled before the war. One of the problems was to get the two elevators which had been planned for the building. One elevator was finally obtained, but only four of the floors are now being utilized. The upper two floors, which were to be available to tenants, will remain vacant until it is possible to install the other elevator.

The vestibule of the main entrance at 140 William street leads directly into the main underwriting room, which occupies a space approximately 49 by 58 feet, and most of the first floor. Left and right of the foyer are the private

(CONTINUED ON PAGE 25)

Adopt Special Risk Rating in Boiler Field

Effective Date Not Set—Change Supervisory Body Setup

The boiler and machinery writing companies are expecting from day to day to receive notification from the boiler and machinery division of the National Bureau of Casualty & Surety Underwriters to put into operation the special risk rating plan that was adopted in principle two weeks ago. A committee is busily engaged in devising the mechanics for putting the program into effect and is getting out the necessary forms for application for special rates.

The plan that was adopted is almost identical to that which was introduced early in 1941 and then withdrawn in about two weeks after the various producers' organizations entered strenuous objection. Also at this time there is to be a special adjustment of boiler premiums of under \$500.

Coincidentally with the adoption of the special risk rating plan the setup of the boiler and machinery division has been changed. Although the organization has been known as a division of the National Bureau of Casualty & Surety Underwriters it has been in reality a separate entity and has operated under rules different from those of the National Bureau itself. Now it is to be definitely a part of the National Bureau.

Nullifying an Amendment

Under the old setup three votes could nullify any amendment whereas under the National Bureau rules a two-thirds vote is required for this purpose. In the old boiler and machinery division Hartford Steam Boiler had three votes and that company has been unalterably opposed to the introduction of an equity rating plan such as special risk rating. In the new boiler and machinery division Hartford Steam Boiler still has three votes but this will not be enough to nullify an amendment.

The current equity rating proposal apparently has developed from the fact that the present revised manual is producing increased rates despite the fact that the revised manual provided for gradation of acquisition costs according to the amount of premium. The increases are especially pronounced in connection with low pressure boilers. Agents and companies have encountered much difficulty in justifying these increases to assured and Lumbermen's Mutual Casualty and Mutual Boiler of Boston are said to be capitalizing on the situation aggressively. One suggestion is that equity rating be applied on an interim basis, until a new manual can be completed. Regardless of the outcome of the equity rating conflict it

(CONTINUED ON PAGE 25)

Scrutinize Developments, Trends in Casualty Field

There are going to be some, perhaps many, changes in the casualty business in the future, but the industry should be able to meet them successfully, it was brought out at the Chicago round table discussion sponsored by the Casualty Underwriters Association there. More than 100 attended. Participating organizations were the Association of Casualty & Surety Managers, Surety Underwriters Association, and the Chicago Accident & Health Association. Donald K. Weiser, Aetna Casualty, opened and closed the meeting as head of the Casualty Underwriters Association.

Members of Panel

James C. O'Connor, editor "Fire, Casualty & Surety Bulletins" of THE NATIONAL UNDERWRITER, acted as moderator, and round table participants were F. J. Grennan, automobile superintendent Ocean Accident; A. K. Layden, burglary and plate glass superintendent of Zurich; W. J. Bremer, assistant compensation and liability superintendent, Hartford Accident; Joseph I. Johnson, bond superintendent Aetna Casualty, and J. K. Dennis, superintendent of agents personal accident department, Continental Casualty.

Very few of the doleful predictions made for 1942 came true, Mr. O'Connor pointed out in introducing the forum. There is still considerable automobile business. The industry has not yet been taken over by the government, though the government's influence on the functioning of the business cannot be ignored. Some of the threats to its future undoubtedly will influence the business, though perhaps not in the way it is now thought they will.

Possible Developments Enumerated

There are a few certainties, Mr. O'Connor said. There will be new coverages, and some of them which cannot be foreseen now will account for a large volume of premiums. There may be social changes that will eliminate some of the present sources of premium income. One of the important questions that has to be answered is the method of doing business as between agency and non-agency companies. Another is how the agent is to be compensated and for what services. Still another is what services are to be expected from company representatives.

There may possibly be some change in the method of supervision, Mr. O'Connor suggested. The business has accustomed itself to supervision by the states although it opposed such supervision originally, and since then has been relying upon a Supreme court case in which it originally contested the right of states to impose such supervision.

Bremer Discusses Comprehensive

Comprehensive liability has suffered somewhat at the hands of some of the producers, Mr. Bremer said in discussing this important coverage. They didn't dig hard enough in getting information to complete the policy properly. Before long, he predicted, there will be a comprehensive liability policy to cover other than business exposures. Endorsements to do this are already available. The comprehensive idea should be encouraged, he said.

Retrospective rating, Mr. Bremer said, is now in its youth and more of it will be seen in the future. The idea of retrospective rating is sensible enough. It creates an incentive for insured to improve the management of his plant. It demonstrates to the customer that he is an extremely important factor in his insurance costs. It makes cost commensurate with exposure without a long period of waiting for a complex formula to develop the results. The industry certainly should not be afraid of such new developments.

Mr. Layden expressed the belief that

1942 marks a turning point in burglary coverages, and the trend now is toward blanket insurance. This can be seen from an increase of coverage from a part of the day to a full 24 hours, the elimination of age of custodian, etc. The residence burglary policy used to have a \$100 limit on buildings outside the residence. Now this is the limit of the policy. The minimum premium has been lowered. Personal holdup is now sold in connection with the residence burglary. The simplification of charges and the broadening of coverage will help the agent sell the policy, and will avoid some of the arguments which arose when there was a settlement. The greatest development in the field is all-risk and blanket insurance. The latter is not yet in the manual but can be written. The blanket protection can be used to replace the schedule policy, so that a large insured can get \$10,000 on all locations. The companies are not losing by doing this. Under the schedule policy there is a lower limit here and a higher one there and these are adjusted during the year.

The assured is saved a lot of trouble and the premium and losses usually come out about the same at the end of the year. In the future, Mr. Layden predicted, large risks will practically all be written blanket or all-risk.

Losses Will Increase

The effect of war on burglary business will be to increase losses and reduce premiums, Mr. Layden believes. Losses will be increased. Premises are blacked out. People do not leave a light on now when they go out for the evening. The light over the safe in a store is turned out. The light afforded some protection from pedestrians in the street. Steel protection such as iron bars, fences, etc., can't be purchased today, and the insurer has to take the risk as it stands. Larger payrolls expose insurers to larger losses. The demands for tools and other equipment that are easily bootlegged and hard to identify increase the hazard. Lower premiums result when concerns go out of business, and there will not be enough more civilian stocks to be insured to offset such losses. Families are being broken up because men are going into service, and this reduces the number of prospects for residence burglary. It is possible that the war worker who is making more money can be sold residence burglary policies. But it is no time, he asserted, to make premium adjustments, as some are trying to do. There was considerable fear expressed that tires and tubes would be subject to theft but this hasn't developed because there is practically no bootlegging. Mr. Layden does not believe there will be an increase in thefts of rationed commodities such as sugar and coffee. These never have been hazardous stocks, and few people, he thinks, will be so unpatriotic as to buy "hot" coffee.

SURETY OUTLOOK

Surety men expect a recession in the volume of contract bond business done in 1943, Mr. Johnson said. The government has given the business a large volume of contract bond writing, and it is finishing the cantonments, war plants, etc., which produced this volume. Highway, city and village construction will be light. There is one bright spot on the horizon, he said. The government is contemplating the construction of considerable housing and a large number of hospitals, the latter to take care of the unexpected amount of illness among older draftees. Housing has been held up to some extent during the past six months. In some places it was impossible to determine in advance of the completion of a factory or a group of factories just how many employees would

Special War Christmas Issue Is Unique



ARTHUR D. GROSE

A timely message appears in the annual Christmas number of the "Employers Pioneer," house magazine of the Employers group. Editor Arthur D. Grose always makes it a practice to omit all reference to business in his colorful Christmas issues. In addition to an inspirational message by Edward C. Stone, U. S. manager and attorney, there is a series of Christmas interviews with members of the armed forces.

Mr. Grose went out and talked with privates, officers and army nurses to get their ideas for his war Christmas number. He keynotes his articles with four rules of happiness gained from an army chaplain: "Get the other fellow's viewpoint. Live one day at a time. Give generously. Have faith!"

Although there are many worthwhile thoughts brought out in these interviews, there is a statement by a marine which deserves particular attention:

"Tell 'em something for me, will you? Tell them to keep their chins up. If they do droop a little, don't write us letters about it. There's a lad in my outfit we all like. For months he was the life of the party, always there with a gag or a laugh. Then he got down in the dumps. One night he read me a letter from his sister. She beefed about sugar shortage, tire shortage, fuel shortage. She worried about what was coming next. It wasn't the first letter that she'd written. She got him worried. How could they ever live through it?"

"Nuts!"

"I know the folks at home have their troubles. But we may have some too, before we're out of this. Yes, tell 'em to keep their chins up; if they have to beef, do it when they're all alone, way out in an open field some place."

be required, and therefore how much housing would be necessary.

The outlook for sales of blanket dishonesty coverage is better. The earnings for most concerns are higher, and many surety offices report that in the last two or three months the production of new business in this line has increased. November was one of the best months in volume for several companies.

Sales of comprehensive dishonesty, destruction, and disappearance have been disappointing, Mr. Johnson said. Perhaps there could have been a better formula for getting the business written. As it is, the business must be submitted to two bureaus and there is consequently too much detail. Too much time is required. It is blanket coverage, and if it could be worked out in a prompt manner results should improve.

Mr. Grennan said that horsepower had been the basis of automobile insurance rating, until recently, with other factors being considered. Mileage has been

(CONTINUED ON PAGE 26)

Additional Reports on Coconut Grove Claims

In addition to the claims under life insurance and personal accident policies as the result of the Coconut Grove Night Club fire in Boston that were mentioned in the editions of the past two weeks, THE NATIONAL UNDERWRITER has received these replies to its inquiries: Employers Liability, \$5,000; New Amsterdam Casualty, \$11,000; Boston Mutual Life, \$4,426; Franklin Life, \$1,000; Commercial Travelers Mutual Accident of Utica, three for \$15,000.

Also Mutual Life, four for \$12,000; Sun Life of Canada, one for \$5,000; Maryland Casualty, \$500; North American Accident, three for \$4,280; Massachusetts Protective, two death claims under personal accident policies for \$2,000 and one assured injured; Massachusetts Casualty, one death claim for \$2,000 and one injury, estimated \$500; General Accident, \$4,000; Massachusetts Mutual Life, \$62,000.

Other Companies' Reports

Equitable Society's loss was estimated in a report from Boston at about \$400,000, but the company now reports that its claims amount to \$314,111. One New England life insurance company that desires not to be named had eight policies on three lives for a total of \$38,000. The Aetna Life total which was reported as \$11,500 last week is now \$16,500. Another eastern company that also desires not to be disclosed had \$63,050 in life insurance claims.

Travelers has now received claims totaling \$102,000. Of these 20 are on account of group policies for \$30,000; six regular life for \$46,000 and three personal accident for \$26,000.

1,500 Throng Hartford's Chicago Unit in Open House

About 1,500 visitors passed through the handsome new offices of the western department of Hartford Accident in the Insurance Exchange building, Chicago, on the housewarming day. A buffet luncheon was served to about 700, including the 300 employees. The offices were banked with flowers and it was a day for friendly greetings on the part of a large portion of the insurance men of the city. From the head office there were Vice-president A. C. Posey and Secretaries F. C. McVicar and A. W. Spaulding. The private office of Vice-president and Western Manager George H. Moloney is especially attractive. Charles Black, office manager, was being congratulated particularly, as he was in charge of arranging the layout and the physical details.

Aetna Life Group Buys \$31,000,000 Victory Bonds

The Aetna Life affiliated companies have subscribed for \$31,000,000 of 2½ percent bonds in the Treasury's current Victory Loan campaign to raise nine billion dollars.

As reported up to Dec. 7, the purchase was the largest single subscription in Hartford and more than doubled the \$26,650,000 previously subscribed by banks and insurance companies there.

In addition to the \$31,000,000 subscribed, the Aetna Life group purchased more than \$1,000,000 of tax savings notes.

Buckeye Union Broadens Cover

Buckeye Union Casualty is now including comprehensive personal liability and residence burglary in its automobile policy. It believes these new coverages will help make up some of the premium volume lost as a result of automobile rate reductions.

Lloyds Adjuster Is Arrested

NEW YORK—Charles H. Gregor, a claim adjuster for London Lloyds, upon complaint of Duncan & Mount, attorneys for Lloyds in this country, has been placed under arrest charged with the theft of \$37,130 through the presentation of false claims for injuries allegedly suffered by Lloyd's assured.

Discovered in Survey

The operations of the accused, who had been employed by Duncan & Mount as a \$65-a-week investigator and adjuster for the past 14 years, were revealed when representatives from London Lloyds arrived in this city from England a short time ago, to survey business in the United States. Suspicious of the large number of claims paid employees of the Palisades Amusement Park, Fort Lee, N. J., for reputed injuries, the investigators were informed by the management of the park they had no knowledge of the claims, which were entirely fictitious. The arrest of Gregor followed.

Insurance Press Feted by Casualty Organization

Claude W. Fairchild, general manager Association of Casualty & Surety Executives, gave his annual luncheon for members of the press at the Bankers Club in New York City. There were three ex-presidents of the association present, they being J. M. Haines, United States attorney, Phoenix-London group; C. B. Morcom, vice-president Aetna Casualty, and J. W. Randall, vice-president of Travelers. F. A. Christensen, Fidelity & Casualty, association president, and W. E. McKell, chairman public relations committee, spoke for the organization while W. S. Crawford, New York "Journal of Commerce," and C. M. Cartwright, THE NATIONAL UNDERWRITER, were spokesmen for the press.

Files New Auto Rates in Wash.

Indemnity of North America has filed wartime emergency rates for automobile bodily injury and property damage insurance in Washington, effective Dec. 11 and retroactive to Oct. 1. Merit rate credits of 10 percent at the first renewal and 15 percent at subsequent renewals are allowed where there are no claims.

Aetna Gives Tire Rotator

The Aetna Tire Rotator, a unique advertising novelty, is being distributed by representatives of the Aetna Life companies. With all motorists being urged to rotate tires every 3,000 miles in order to obtain the maximum possible mileage, this device provides a convenient way to insure correct tire rotation and to keep track of tire changes.

Measuring only three inches square, the rotator, by means of a revolving disc and a miniature car chassis, shows to what wheel each tire is moved on each of five rotations. Space is left on the back of the rotator to enter the make and serial number of each tire, and the date and speedometer reading at the time the tires are rotated.

Ohio Share-Ride Case Up in Jan.

COLUMBUS—The Ohio supreme court will hear the share-the-ride case from Cuyahoga county the first week in January. The case is a test to determine the responsibility of a motorist transporting persons under the government's share-the-ride plan. Chief Justice Homer C. Powell of the Cuyahoga court held that the driver could not be held liable for damages in an accident unless he was wantonly and willfully negligent. He ruled that the driver was a host and the passengers guests under the Ohio law. Attorneys for the passengers said the court had failed to take into consideration that the passengers had helped to pay for gasoline and oil in sharing the ride.

Query Form Is War Economy

Having responded to the government's call for typewriters, Globe Indemnity has gone back to the use of the lead pencil in routine correspondence by adopting what it calls a "query form" which is pictured above.

Query forms are put in pads and are furnished to all departments and agents. Correspondents write the name of the addressee, the subject and the message, on the left half, making two carbon copies. One of them is kept and the other sent along with the original.

The space on the right half is for the reply. The correspondent inserts a

carbon sheet, jots down his reply, and mails it back, keeping the carbon copy on which both message and reply appear. Both parties then have a record of the correspondence on a single sheet. Formal salutation and close are done away with, and longhand messages are apt to be brief and free from the stilted phrases common to routine dictation. Letters go in the mail at once and replies come back more promptly. Best of all, the handicaps resulting from the shortages of typewriters and stenographers are greatly mitigated by the use of this form.

Auto Death Record

Motor vehicle deaths in 155 major cities during the week ended Dec. 5, were 14.7 percent below the corresponding week of last year, according to the Bureau of the Census. For the first 48 weeks of the year the total was 16 percent below the corresponding period of 1941 and 9.4 percent below the three year median 1939-1941.

Rossman to Home Office

Alexander Rossman, for the last five years local claims manager at Kingsport, Tenn., for United States Fidelity & Guaranty, has been called to the home office at Baltimore as assistant manager of the claims division. In his former post he is succeeded by J. H. Dixon.

Reward Fails to Recover Ring

In an effort to recover a 4.3 karat diamond ring left by the owner in a Minneapolis beauty shop washroom, Aetna Casualty offered \$1,000 cash for its return by Dec. 10, but without result. It paid approximately \$4,950 to cover the loss.

Facts Brought Out in a Survey

The Aetna Casualty & Surety authorized Paul W. Stewart & Associates, well known research and analysis specialists, to make a nation-wide consumer survey of the insurance business. They were interested in these questions: What do people think about insurance? What can the average buyer afford? What lines offer the widest opportunities? What factors influence women to buy insurance? Other questions were answered by the research organization.

It was found that fire insurance was carried by 62.2 percent of the people but only 9.9 percent of the total have

Hartford Accident Coast Rally

SEATTLE—Pacific northwest field men of Hartford Accident gathered here to discuss methods of stimulating production of fidelity business.

Leading the discussion were Lowell Blackburn of San Francisco, assistant superintendent of the surety department, and G. L. Perry, who occupies the corresponding post in Seattle.

A. & H. Producers to Hear Gastil

LOS ANGELES—The Accident & Health Producers Association, recently organized, has fixed the first Wednesday of each month as its meeting date. Walter G. Gastil, general agent of Connecticut General Life, will speak at the January meeting.

Frank B. Zeller, manager marine and transportation department of Royal-Liverpool, was host at a dinner tendered officers of the George McMurrich Sons agency of Toronto in that city in recognition of the 50 years representation by the agency of Thames & Mersey Marine and Liverpool & London & Globe.

Ability of Agents to Pay Return Commissions When War Ends Is Eyed

In writing large lines these days for war industries, the companies are somewhat discriminating in the agents and brokers with which they deal. They want to be reasonably sure that in the event the war ends and insurance is canceled in mid-term that the agents will be solvent and able to take care of the return commission demand without embarrassment. The boiler writing companies are particularly careful because most of their contracts are on a three year basis and there are some huge premiums involved. By and large these risks come to the companies from the larger agencies, many of which maintain a return commission reserve so that the question of whether to deal with a certain agent does not frequently arise.

Dimouts Are Not Breeding Burglaries and Holdups

NEW YORK—Despite the dimout and blackout conditions which prevail along the coast, there has been no increase in burglaries and holdups. In New York City, for example, although lights have been dimmed to such an extent that the streets and walks are almost completely dark, police records corroborate the company experience that there has been no increase in these crimes.

Two factors which affect this condition are the curtailed use of automobiles and the fact that the younger men who commit a large share of such crimes have entered military service. Automobiles are frequently used in holdups and the present situation in regard to their curtailed use is not favorable. Many store burglaries were by younger persons without previous criminal records and they were not likely to be caught unless they became habitual criminals. City police records show a decline in holdups, burglaries, assaults, felonies, and murders from 5,701 to 5,332 for the first nine months of this year compared with last year in the same period.

Sends Out Share-Ride Data

ST. PAUL—Commissioner Johnson of Minnesota this week circularized newspapers of the state, calling attention to the agreement recently entered into by 211 insurance companies with the Office of Price Administration under which the public is assured of insurance protection while participating in bona fide ride-sharing plans. This is of particular importance in Minnesota because thousands of defense workers have come to this state from distant sections and are driving their cars under winter conditions with which they are not familiar. Snow, ice and sub-zero temperatures make driving to and from work a hazardous task for many of these newcomers.

Safety Council Insurance Officials

In addition to Walter S. Paine, manager of the engineering and inspection department of Aetna Life affiliated companies, who was elected vice-president for industrial safety, National Safety Council officials recently elected include Lew R. Palmer, conservation engineer of Equitable Society, vice-president for transportation; W. Graham Cole, director of safety Metropolitan Life, first vice-chairman of the executive committee of the street and highway traffic section; H. D. Scheffer, safety director Auto Owners, Lansing, Mich., vice-chairman of the executive committee for the commercial vehicle section, and H. O. Tilner, safety director United Pacific, Tacoma, and W. R. Smith, insurance manager of Scott Bros., Inc., Philadelphia, members of the executive committee at large.

Lyle H. Gift, Peoria, Ill., board chairman Illinois Association of Insurance Agents, visited the headquarters office in Chicago.

ACCIDENT AND HEALTH

Cincinnati Association Hears Berry and Dignan

CINCINNATI—Robert Berry, district manager of Loyal Protective Life, addressed the Cincinnati Accident & Health Association on "Objections and Their Answers" and W. R. Dignan, sales manager of the W. E. Lord Company, discussed "Selling Ideas."

Mr. Berry believes a salesman does not start to sell until the man he is talking to objects. That objection is the inevitable interruption in the salesman's sales talk. His experience is there are only five or six standard objections which seem to repeat themselves in most sales talks. He suggested answers to those objections.

In every policy he sells, Mr. Dignan puts a 15-day or longer waiting period. But it is necessary to sell the prospect on the need for that waiting period, he says. He does this by telling the prospect there are many ways to buy accident and health insurance but the smartest way is to duck the minor disabilities. He then shows that if the prospect knew his disabilities would last no longer than 15 days, he would not need income protection. By using that waiting period, or a longer one, he can buy insurance at a lower rate, or he can buy more insurance for the same premium.

One big danger in presenting disability insurance is the salesman has a tendency to cut his canvass short. He is so tired of hearing himself say the same things over and over that he tries to avoid hearing some of it again. This is disastrous. Income protection may be an old story to the salesman but it is a new one to the prospect.

Charles Pugh, home office representative of Loyal Protective, was a guest. He spoke of his experience in contacting agents throughout the middle west, stating the best asset an agent can have just now is ability to do constructive thinking. To overcome present-day obstacles, agents must think in positive terms rather than negatively.

Richard Ames, special agent of Inter-Ocean Casualty, also spoke briefly. He had just returned from a trip visiting agents throughout the south. He thinks some agents are having a tough time now because they have just passed through an era when it was so easy to see business men at any time. Now, prospects must be contacted when they are not busy and nearly everyone is busy most of the time.

Healthy Premium Increase for Year Is Expected

In spite of the slump in strictly commercial business, the accident and health premium total for this year seems certain to show a healthy increase. It might even run as high as last year's, when all previous records along that line were broken. Offsetting the decrease in commercial, group accident and health, including hospitalization, which has been making tremendous advances for several years, will hit an even higher peak for 1942 because of the greatly augmented payrolls of many employers carrying that form of cover that are now engaged in war work. One company that writes a large volume of accident and health reports that its commercial business was off about 2 percent for the first half of the year, while group was up 16 percent.

The commercial companies, except for a few which are pushing non-occupational coverage, have had very little success in writing workers in war industries, where more money is being received today than in any other field. Their business has suffered very materially by the large number of men who have entered, or are about to enter, the armed services, both prospects and agents. There has also been a large number of cancellations for this reason

in the younger age group, particularly where there is a clause which bars military service.

Monthly premium men on the other hand have been taking full advantage of the situation in the war industries, as they are accustomed to working among men of that type and already have some policyholders whom they can use as the start of an endless chain prospecting plan. Quarterly premium

companies also are showing a very satisfactory increase.

The claim situation is good, as wages are high and unemployment is low. With wages at their present level, there is no disposition to stay away from work to collect on an accident and health policy.

Officers of Cleveland Hospital Insurer Acquitted

CLEVELAND, OHIO—Philip Miner and William Hoey, former officials of the Mutual Hospitalization Association

of Cleveland, were acquitted by a jury before Common Pleas Judge Corlett Monday. They had been charged with falsifying financial records and trying to deceive the superintendent of insurance.

They were accused of entering two worthless checks as assets in an effort to deceive the insurance department and with falsifying records. Lieut. Donald E. Kramer testified that he was induced by John Miner, son of Philip Miner, to write a check for \$10,000 on his account in a bank at Chardon, O., although he had only \$50 on deposit at that time.

R. J. Dickson of Canton, O., who was

IN A NEW FAR REACHING SENTINELS FOR CONSTANT SECURITY



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selling hospitalization insurance, testified he had written a \$10,000 check for Miner on the latter's promise that funds would be deposited to meet the check. Both Kramer and Dickson stated that they later stopped payments on the checks. Dickson said he had \$200 in the bank when he wrote the check on the day before the association was to file its annual statement.

The association is now undergoing liquidation.

N. Y. Club Elects Three

NEW YORK—Election of three members to the executive committee and entertainment featured the annual Christmas dinner of the Accident & Health Club of New York. Nearly 150 were present. All members of the club serving in the armed forces were sent a check for \$5 and a letter from C. F. Demsey, Travelers, retiring president. E. A. Smith, Travelers, Ray Hills, Great American Indemnity, and Joseph Ryan, Metropolitan Life, were elected to the executive committee.

White Continues as Chairman

Although W. Franklyn White is leaving Royal, Globe and Eagle Indemnity as of Jan. 1 to become assistant secretary of Mutual Benefit Life in charge of the disability division, he has consented to continue to serve as chairman of the governing committee of the Bureau of Personal Accident & Health Underwriters. His term expires at the time of the annual meeting of the bureau, which is usually held late in May.

Trantham Columbus Speaker

Homer Trantham, Columbus insurance attorney and secretary of the Insurance Federation of Ohio, will speak on "Is Your Accident and Health Business Worth Preserving?" at the meeting Dec. 18 of the Columbus Association of Accident & Health Underwriters. A special educational program to run through the first three months of 1943 will be announced at this meeting.

Conference Regional Meetings

The Health & Accident Underwriters Conference held a regional meeting in Detroit Tuesday for officials of Michigan companies which are members of the organization, in charge of Harold R. Gordon, executive secretary. Problems created by the war, with especial reference to the personnel situation in both home office and field, were discussed.

A similar meeting will be held in Minneapolis some time in January.

Fowler Goes to Peoria, Ill.

C. Herbert Fowler, who has been general agent of Monarch Life at White Plains, N. Y., now goes to Peoria, Ill., as general agent for the company. He will develop the business of Monarch in central and southern Illinois. Mr. Fowler has been with the company for many years. Before going to White Plains he was in Manchester, N. H.

Chicagoans Get Diplomas

At the December meeting of the Chicago Accident & Health Association Tuesday, diplomas were awarded to the 34 who completed the sales course conducted in Chicago recently by Mansur B. Oakes. The presentations were made by E. H. O'Connor, former president of the National Association of Accident & Health Underwriters, who is now executive director of the Insurance Economics Society. Mr. Oakes was presented a set of books in appreciation of his work with the class. The graduates were divided about equally among agents, general agents or managers and home office people. W. Welsh Pierce, association president, was a member of the class.

Chester E. Willard, professor of industrial management and director of business relations of the school of commerce of Northwestern University, spoke on "Current Economic Trends."

CHANGES

Norman Robertson in Eastern Post for Zurich

Zurich announces that Norman T. Robertson has been appointed superintendent of agents of the eastern department in New York. He has resigned a similar position with Continental Casualty. The eastern department territory of Zurich has been enlarged to include, except for metropolitan New York City, all states on the Atlantic seaboard.

Robert V. Branion is manager of eastern department and that office has rounded out its facilities for handling a much larger volume of business from its wider scope of activities. Mr. Robertson is well acquainted with agents and brokers throughout the states assigned to the eastern department.

Mr. Robertson's insurance experience dates to 1923 when he started in the home office agency department of Globe Indemnity. At the end of 1925 he was appointed assistant secretary in charge of agencies by U. S. Casualty. Nine years later he became agency secretary of Ocean Accident, remaining with that company until 1938 when he went with Continental Casualty.

Snyder Royal Indemnity's Los Angeles Manager

LOS ANGELES—Royal Indemnity has appointed Eugene Snyder, formerly assistant production manager in the New York office, as manager in Los Angeles, with jurisdiction over southern California and Arizona. He succeeds E. G. Scheumann, resigned.

The appointment was announced by T. L. Bean, production manager, who has been visiting the Los Angeles office.

Weible with Associated Indemnity

W. E. Weible, Jr., safety engineer in Kansas City for Fidelity & Casualty, has joined Associated Indemnity in Chicago in a similar capacity in charge of Illinois and Michigan.

Paul Brown's New Activity

Paul Brown, who recently joined Lumbermen's Mutual Casualty and American Motorists as head of the bond department in the Chicago main office, has been in the business since 1903. He started in the general agency

Educational Director of Allstate Insurers

Davis W. Ellis has joined Allstate and Allstate Fire of Chicago as educational director.

Mr. Ellis has been active in sales promotion work for a number of years. For a time he was Chicago manager of Monarch Life. He was also connected with Redfield Associates, Chicago manager of Mutual Benefit Health & Accident and United Benefit Life, and for some time he was connected with the old Fidelity Investment Association of Wheeling, W. Va., in Chicago.

Allstate recently embarked upon a program to recruit and train women agents for hitherto undeveloped territories. The sales force of Allstate has been depleted by the loss of men to the armed forces and experiments have indicated that women agents can be developed for this work very successfully. Mr. Ellis will have much to do in this endeavor.



Davis W. Ellis

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For December, insurance for Public and Charitable Institutions is the goal in Indemnity's 1942 Plan of Organized Selling. Agents are finding the new Sales Kit, with its "Program Planner", a source of inspiration and sound selling advice. Let us tell you about this valuable new sales help and other income-increasing features of the Plan. Write today.

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Indemnity Insurance Company of North America

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and its affiliated companies write practically every form of insurance, except life.

Service Offices located in principal cities.

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of Fidelity & Deposit at St. Louis and then saw service successively with Equitable Surety at St. Louis, Southern Surety and Home Indemnity, of which he was secretary and from which he recently resigned. The Kemper organization is expanding its surety activities.

Ellis with American Indemnity

LOS ANGELES—Harry C. Ellis, attorney, has been appointed claim manager for southern California by American Indemnity. He has been in claim work in Los Angeles since 1922, and for two years has been in the claim department of General of Seattle.

North Resigns Newark Post

S. S. North, Newark manager of Glens Falls Indemnity, has resigned. He will announce his future plans later.

He had just been reelected treasurer of the Casualty Underwriters Association of New Jersey.

Gauch to General Transportation

Emery Gauch has joined General Transportation as assistant secretary and superintendent of the underwriting department. Mr. Gauch was with Chester M. Cloud, New York, for 25 years, then joined the former New York City agency of Eifert, French & Co., where he was manager of the casualty and surety department for six years. He has been underwriter of various lines for Baldwin & Seeley, Inc., the past two years.

General Transportation, which writes participating policies, is branching out in miscellaneous casualty lines, and plans to enter states adjacent to New York.

Globe Has New Dallas Setup

The Texas General Agency Company of San Antonio hereafter will represent Globe Indemnity in the Dallas territory. T. B. Gilbert will be in charge of the Dallas office, in the Tower Petroleum building.

COMPENSATION

Accident Frequency Bigger Cost Factor Than Severity

ST. PAUL—The importance to industry of keeping accidents and accident costs down to a minimum and particularly holding down accident frequency was stressed by James F. Reynolds, general manager of the Minnesota Compensation Rating Bureau, in a talk before the Insurance Buyers Association of Minnesota.

"Severity is not, from the standpoint of the 1940 experience rating plan, nearly so important as frequency," he said in analyzing the effects of accidents on compensation premiums. "If we consider an individual risk normally paying a premium of \$4,000 or \$5,000," Mr. Reynolds said, "the fact can be established that an additional claim here and there will have a tremendous effect on the premium to be paid."

In the case of a risk paying a premium slightly in excess of \$4,000, one death claim could run this up to \$4,700, while 10 minor claims, each one-tenth of the death claim, could run its premium up to \$6,400.

"The one claim shows an increase in cost of \$700 while ten claims totalling an increase in loss cost equal to the one death claim mean roughly \$2,400 more in premium," Mr. Reynolds said. "These facts seem to justify the recommendation that all employers pay special attention to familiarizing new employees with their jobs and the avoidance of over-emphasis in production at the expense of safety."

In analyzing payrolls and claims in Minnesota, 1938-1940, Mr. Reynolds said there has been an upward trend in the number of serious claims, the number of non-serious claims and the

number of non-compensable medical claims. "There has been a consistent increase in payroll and premium, nevertheless, per claim, whether referring to serious, non-serious or non-compensable medical," he added.

Bowling Hazard Not Covered

The Indiana appellate court has held that members of a company bowling team injured in connection with their bowling activities are not entitled to compensation benefits because the injury does not "arise out of and in the course of employment." The decision reversed an award of the Indiana in-

dustrial board. A team member was injured on his way home from a game.

Charge Doctors Delay Reports

MILWAUKEE—Charges that some doctors are not submitting reports on industrial accidents to employers and insurers quickly enough were made by Harry A. Nelson, Madison, director of the workmen's compensation division, Wisconsin industrial commission, at the industrial medical and surgical clinic here, sponsored by the State Board of Health and the State Medical Society. War plant workers injured on the job or taken ill should be considered as important as the soldiers at the front and

treated promptly and returned to work with the least delay, Mr. Nelson said. Delay in submitting reports on compensation cases causes misunderstanding and leads to dissension between employer and employee.

The clinic was designed to give physicians up to the minute technical information on latest methods of treating industrial accidents and diseases to reduce time lost. The theme was "Keep 'em Working."

No Mass. State Fund Initiative

BOSTON—The 1942 Massachusetts legislature will be spared the problems of considering an initiative petition for

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a workmen's compensation state fund since the Massachusetts Federation of Labor has failed to get 20,000 signatures on its petition within the time limit for filing. This means that no initiative petition can go on the state ballot until 1946 at least.

N. Y. Probe Is Expanded

NEW YORK—To aid in the sweeping investigation into the administration of the workmen's compensation law of this state, to which task he was assigned by Governor Lehman several weeks ago, former Judge W. F. Bleakley has appointed H. T. Stichman as his counsel. The latter, an assistant district attorney of New York county, has been granted a six-months leave to carry on his new

duties. The study proposed by the investigators will cover some 600,000 accident cases covered under the compensation law, in the course of which public hearings will be held in various centers. It is assumed that to overcome such weaknesses in the administration of the act as may be disclosed, amendments to the law will be submitted for consideration to the legislature at its 1943 session.

Labor Commissioner Toohey of New Jersey has appointed **R. Wayne Kraft** of Camden as deputy workmen's compensation commissioner in charge of southern New Jersey. He will give up his law practice and devote his entire time to his new position. He has served as counsel of the Federal Deposit Insurance Corporation.

Donald H. Colyer, Travelers Indemnity; secretary, Richard Ross, Fireman's Fund Indemnity; trustees, H. E. Vernoy, Commercial Casualty; C. J. Collins, Standard Accident; Walter Schryver, U. S. F. & G.; Herbert Hutchinson, American Surety, and L. P. Hodgman, American Employers.

COMPANIES

Report Is Made on General Accident

The New York department has released its report on the examination of General Accident as of Dec. 31, showing policyholders' surplus being increased \$1,241,238 by the examiners. Surplus to policyholders is \$20,134,001, as compared with \$18,892,763 reported by the company. Premium liability was reduced nearly \$525,000 and loss reserves over \$706,000. A greater provision for federal income taxes raised the reserve by \$209,000. The adjustments in asset values were small except for an increase of \$335,000 in the statement value of stocks.

The examiners found that the investment portfolio is of superior quality with over 65 percent of its \$21,082,991 of bonds in U. S. government issues and over 92 percent rated A or better. Of \$11,671,463 in stocks, over 44 percent were rated A or better and over 22 percent were in the B to BBB group. Since Jan. 1, 1910, the U. S. branch has gained \$13,727,000 from underwriting and \$13,252,000 from investments, and has remitted \$7,463,688 to the home office. Therefore the company makes a decidedly superior showing all along the line.

Seaboard Surety of New York has declared a special year-end dividend of 80 cents a share. The total payments

in 1942 are \$1.80 a share compared with \$1.70 a share the year before.

C.C.C. Now Has 87% of Manufacturers Casualty

Holders of more than 87,000 shares of the 100,000 outstanding of Manufacturers Casualty have now sold their stock to Commercial Credit Company of Baltimore at \$40 a share, according to Mackubin, Legg & Co. of Baltimore, which is acting for C.C.C. More than 900 stockholders, including all of the officers, directors and principal owners, have accepted the offer. C.C.C. will purchase additional shares that are deposited with the Land Title Bank & Trust Co. of Philadelphia before 3 p. m., Dec. 23. Mackubin, Legg & Co. states that since there is now less than 13 percent of the stock in the hands of the public, a very narrow market will exist for it after the expiration of the offer and this may result in lower prices.

Public Service Mutual Casualty of New York starting Jan. 1 will issue non-assessable policies as authorized by the New York department.

ASSOCIATIONS

Timely Topics in Seattle

SEATTLE—At the monthly meeting of the Casualty Insurance Association of Washington workmen's compensation coverages in connection with farm and casual labor were discussed, as were anticipated reductions in collision rates. President R. P. Cunningham announced he would soon appoint a legislative committee. The association's annual meeting will be held in February.

New Jersey Officers Reelected

NEWARK—At the annual meeting of the Casualty Underwriters Association

FIDELITY AND SURETY

Fidelity Bonds Only Dishonesty Cushion

MINNEAPOLIS — Fidelity bonds offer the business man the only real cushion he has against dishonesty in his organization. No scientific or educational method has been devised for combating such dishonesty.

F. W. Selser of the bond claim department of Fidelity & Casualty, New York, developed this theme at the meeting of the Minneapolis Underwriters Association. He enlivened his talk with numerous actual cases of losses sustained by business firms through thefts of trusted employees.

"Business men who readily buy fire, compensation, accident and automobile insurance too often shun protection against the dishonesty of their employees," he said. "Yet the biggest risk a business man faces is an inside risk. Human nature is unchanging and unpredictable and being such these losses will continue to be experienced. The fidelity bond field has hardly been scratched; it offers virgin soil for many agents."

Mr. Selser predicted that dishonesty losses this year will be between \$18,000,000 and \$20,000,000, but he emphasized that this covers only claims actually paid. Actual losses annually run ten times the amount paid by the surety companies, he said.

County Officials' Bonds in Omaha Total \$793,800

OMAHA—The county board has designated the amount of bonds elected county officials and certain employees will be required to post for 1943. The total amount is \$793,800.

In line with a state supreme court decision the county will pay premiums only for those who are required by law to furnish bonds and are approved by the board. Other officials or employees who furnish bonds will have to pay their own premiums.

Those for whom the county will pay the premium and the amount of the bonds are county treasurer \$200,000, one chief deputy \$5,000, five cashiers \$10,000 each, and one chief clerk \$5,000; county attorney \$5,000, six deputies \$1,000 each,

coroner's physician \$1,000; clerk of district court \$10,000, six deputies \$10,000 each; county clerk \$10,000, deputy \$10,000, chief auditor \$5,000, two cashiers and clerks \$2,500 each, warrant clerk \$2,500; county judge \$25,000, clerk of county court \$25,000, cashier \$2,500, constable \$300; county assessor, \$5,000, precinct assessors \$250 each; register of deeds \$10,000, deputy \$10,000; sheriff \$10,000, chief deputy \$10,000, 20 deputies, \$10,000 each, jailer \$10,000, cashier \$5,000; superintendent of public instruction \$1,000, county commissioners \$5,000 each.

Forgery Expert Addresses New York Claim Group

Albert D. Osborn, the well known handwriting expert, addressed the Surety Company Claim Men's Forum of New York, showing stereopticon pictures of handwriting exhibits that were used in several well known cases.

As a rule, a carefully written signature is more likely to have been forged than one hurriedly written in the free flowing style, he said. Forgery and questioned handwriting play an important part in claim work.

W. E. Reilly, Eagle, Globe and Royal Indemnity, will preside at the next meeting Jan. 13. Arthur Blanchett of the firm of Bingham, Englar, Jones & Houston will speak on "An Uncharted Course (False Pretense) in Bankers Blanket Bond Claims."

Elect in Seattle Dec. 30

The annual meeting of the Seattle Surety Association will be held Dec. 30. Stanley Holbrook of John A. Whalley & Co. has been nominated to succeed K. R. Warrack, American Surety, as president, while L. K. Anderson, Great American Indemnity, has been nominated for vice-president. G. L. Perry, Hartford Accident, is slated for reelection as secretary-treasurer.

New Jersey Surety Nominees

NEWARK—The following have been nominated for officers of the Surety Underwriters Association of New Jersey, to be voted upon on Jan. 5: President, Samuel M. Williams, Maryland Casualty; vice-president, John A. O'Hea, National Surety; treasurer,



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GOING
TO SUE
ME"**

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WHEN TOLD ABOUT THE DANGERS OF THE SO-CALLED
"DRAM SHOP" LAW

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AGAINST OWNERS OF BUILDINGS IN WHICH LIQUOR IS
SERVED, AND ALSO THE TAVERN KEEPER SINCE THIS DRASTIC
LAW BECAME EFFECTIVE—YEAR 1934

SUITS FILED IN THE STATE OF ILLINOIS

\$100,000 or Over	More than 50
50,000 or Over	More than 150
25,000 or Over	More than 175
10,000 or Over	More than 250
Less than \$10,000	More than 150

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tion of New Jersey, all of the officers were reelected. There was one change in the executive committee, James C. Eastmead being succeeded by Ernest H. Ehlers, Travelers.

A committee was appointed to draft a letter of condolence to be sent to the family of the late A. R. Lawrence, who was chairman of the Compensation Rating & Inspection Bureau of New Jersey. The members favor the appointment of Bernard Hamilton to succeed Mr. Lawrence.

Columbus Club Is Active

COLUMBUS—J. Wayne Ley, professor at the College of Commerce, Ohio State University, spoke at the meeting of the Casualty & Surety Field Club on "Legal Basis of Liability."

On Dec. 21, the club is giving a Christmas party for under-privileged children at the south side Y.M.C.A., 864 South Third street.

Drop Des Moines Christmas Party

DES MOINES—The Des Moines Casualty & Surety Club has decided to do away with its Christmas party this year and use the funds to send gifts to the four members now in the service, including Jack Wheaton, New Amsterdam Casualty; Leonard Williams, Massachusetts Bonding; James Bragg and Earl Rochester, Fidelity & Deposit.

The club will hold its next meeting Jan. 11.

War Damage Money and Securities Plan Starts Next Monday

(CONTINUED FROM PAGE 17)

assured's place of business, and D. while in transit, except by registered mail or express.

The scale of rates per \$1,000 is as follows:

	Money	Securities
A	0.25	7½ cents
B	0.50	15 cents
C	1.00	30 cents
D	1.50	45 cents

For coverage in preferred vaults the limit on money is \$750,000 and on securities \$5,000,000. The same limits apply to coverage in other vaults. Premises coverage is limited to \$450,000 for money and \$3,000,000 for securities. The limits in transit are \$2,000,000 for money and \$10,000,000 for securities.

Money and securities coverage issued by the War Damage Corporation will be written as a special policy rather than as an endorsement to the regular WDC contract. Designed solely for

this class of business, the application blank is elaborately detailed to provide spaces for the amount of each type of coverage desired. There is a recapitulation at the bottom to facilitate computing of premiums.

Approximately 130,000 agents and brokers have received direct from the War Damage Corporation, copies of the money and securities policy, application form and regulations. Each of the 85 stock and non-stock companies sharing in the pooling arrangement has designated as its agent the Money & Securities War Damage Group, with offices at 111 John street, of which Walter J. Kent, previously a surety officer of Peerless Casualty is manager.

One estimate is that 50,000 contracts will be written. For the present insurance will cover only within continental United States, Alaska, Virgin Islands, Hawaii, Puerto Rico and the Canal Zone. Applications must be signed in quadruplicate, to which premium in full must be attached. The service fee to the producer is 5 percent of the premium; with a minimum of \$1 and a maximum of \$1,000 per policy. There is no coinsurance clause.

The Twin City Accident & Health Club held its annual smorgasbord in Minneapolis Dec. 17.

Fidelity & Deposit Now in Own N. Y. Building

(CONTINUED FROM PAGE 17)

offices of Vice-president G. William Crist and Manager Ashby C. Taylor. The style of the early colonial period has been carried out in the building with a nice combination of the beauty and simplicity of that period and the demands of modern efficiency. The large bronze chandeliers are one of the striking features of the first floor. A duplicate of a painting hanging in the board room of the home office in Baltimore depicting a meeting of the company's first board of directors is set into the wall over a fireplace in the office of Mr. Crist.

Mr. Crist and Mr. Taylor, assisted by other members of the New York staff and Vice-presidents D. Claude Handy and G. A. Ober from Baltimore greeted the many visitors who were on hand for the opening.

Mr. Crist joined Fidelity & Deposit in 1929 as a special agent, after operating a local agency for a time in Florida. He was educated at Virginia Military Institute, U. S. Military Academy, and Harvard University. Later, he was called into the underwriting depart-

PERSONALS

Craig Calkins of Chicago, who travels the Cook county and Illinois field for Globe Indemnity, and Mrs. Calkins announce the birth of a daughter, Susan, at Swedish Covenant Hospital, Chicago.

C. W. Fairchild, general manager Association of Casualty & Surety Executives, leaves this week for Auburn, Cal., to spend a month. Mrs. Fairchild and their daughter, Mrs. Edna Louise Van Buskirk, have been there for some weeks.

P. M. Murray, Chicago manager of Hartford Steam Boiler, received a \$1,000 war bond from "Time" magazine Monday, for having guessed correctly the relative pulling power of eight circulation letters of that publication. Mr. Murray is on the so-called advertising list of "Time" and it was those in that group who were invited to participate in the contest. As a young man Mr. Murray had experience with an advertising agency and has ever since been interested in selling psychology. He based his guesses on logical grounds and "Time" in conducting a test campaign with these letters found that Mr. Murray had graded each letter exactly as it proved out in the test.

DEATHS

William Kick, 77, retired, a life-long resident of Brooklyn, known to many accident and health men as the father of W. L. Kick, accident and health underwriter of Century Indemnity, and Irving Kick, accident and health underwriter of London & Lancashire Indemnity, New York, died after a short illness.

Adopt Special Risk Rating

(CONTINUED FROM PAGE 17)
is deemed certain that there will be a new manual.

The boiler companies are tied to one another very closely because of the limited market for reinsurance and the dependence upon each other for reinsurance is particularly pronounced just now with the great demand for boiler and machinery U. & O. cover.

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ment at the home office, subsequently serving as assistant manager at Newark and manager at Memphis. He was appointed manager at New York in 1934 and to his present position in 1939. Mr. Crist is a native of Montgomery, Ala.

A native of Nashville, Mr. Taylor became assistant manager for Fidelity & Deposit at Atlanta in 1928 and was made manager there in 1932. Previously, he had six years' experience with Indemnity of North America both in Philadelphia and Atlanta and with the Sprattin, Harrington & Thomas agency and Employers' Liability office at Atlanta as manager of bonding lines. He served as assistant supervisor of the agency department of Fidelity & Deposit 1934-36 and was made resident vice-president at Detroit in the latter year. He was appointed to his present position in 1939.

Scrutinize Developments in Casualty Field

(CONTINUED FROM PAGE 18)

thought too cumbersome as a rating method, although with the imposition of government restrictions, it is expected to work quite satisfactorily. After rating is lifted, the big stumbling block, if mileage is to be continued as the basis, will be how to determine that mileage accurately.

The automobile policy has come a long way from its original form, Mr. Grennan said. It has cast off many of the numerous restrictions it had in the early days, and the rates now are the lowest in history. At the outset the policy covered only the named insured and other protection was restricted. Additional protection was added for a charge. This tendency has been reversed and in recent years has been to include additional hazards without increasing the premium. The policy has been tremendously broadened and today can be said to give "so much for so little."

While there will be a vast new field of development as a result of expanded use of the airplane, Mr. Grennan believes that the automobile will continue in almost universal use because automobiles, to meet the competition of airplanes, will be greatly improved. Aviation insurance will grow, however, and there will be more general underwriting of aviation lines. Companies individually will more actively participate in it.

Discusses Low Rates

The industry should give serious consideration to continuing the low premiums now in effect, Mr. Grennan added. Premiums are probably adequate now, although after restrictions are lifted drivers are expected to return to their bad habits of high speed. Young drivers will again use the car. But if the industry could change the percentage of insured cars from 30 to 70, the present rate probably would be sufficient. Certainly the situation would be a much better one if this were true.

Accident and health occupies an important position among other insurance lines, Mr. Dennis asserted. Ninety-eight percent of Americans depend upon weekly or monthly income from their work. In 1941 premiums totaled more than \$300,000,000, an increase of \$40,000,000 over 1940, and the volume will be even higher in 1942.

With this amount of premiums in force, definite plans of service to policyholders are needed to keep it on the books, Mr. Dennis said. He offered a program of conservation that will eliminate cancellations today and for the future.

Insured going into military service

represent a problem that has been reduced to a minimum by some companies in extending full coverage under their policies while assured is in the United States. Agents and brokers entering service have created a condition of poor service to policyholders, especially where all collection calls have been eliminated. This problem has been handled by some companies by sending a reinstatement notice to insured when a cancellation notice is mailed. Many a policy has been kept on the books by this plan.

Companies Conserve Business

Where some agents and brokers have gone into service their companies have taken over the business in force and handled the collection of all premiums by mail and protect the agent's interest by keeping his business intact.

Underwriting of new accident and health business, Mr. Dennis said, at least for the duration, should be done with more care than ever before. The producer should get more information as to applicant's work, duties performed, etc., and the proper classification applied so as to eliminate a pro-rate at time of claim.

Less Installment Payment

Producers should be encouraged to sell their new business with less installment payments. Premiums paid once a year are exposed to cancellation only once a year. The average wage earners, male or female, can better afford today the full protection they need, than prior to January, 1942, and they can pay for this protection on an annual or semi-annual basis if properly sold on what they are buying. No working man or woman today can afford to take a chance of losing income due to disability.

Sending out the Insurance Buyers' Digest each month is an effective way to create and maintain customer good will. Write The National Underwriter for sample.



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Frenz with Hitke & Co. as Underwriter, Special Agent

Arthur J. Frenz, underwriter of Fred B. Keller & Co., Chicago agency, resigned this week and was appointed by the Kurt Hitke & Co. agency of Chicago as a casualty underwriter and special agent. He will help to develop downstate as well as Cook county business.

Mr. Frenz is widely known in Chicago metropolitan territory among agents and brokers, having been in the business there for 27 years. He was connected with the underwriting department of American Eagle, later with the automobile department of National of Hartford and then for seven years was special agent for the latter company in Ohio and Indiana.

Mr. Frenz then for 12 years was special agent in Chicago for a number of offices including R. H. Beard & Co.,

and Cramsie-Laadt & Co. He managed the insurance department of Bernard Investment Company at Springfield, Ill., for a time.

Mr. Frenz opened the Chicago branch of Pennsylvania Casualty and built the business from scratch to a monthly premium writing of \$30,000, to \$35,000 in about a year. When he left the office had grown to 15 employees.

He will be associated in Hitke & Co. with Kurt Hitke, agency head, and E. H. Rieke, agency manager.

Seeks Neb. Car-Pooling Act

LINCOLN, NEB.—Governor Griswold announces that among the bills he will submit to the legislature will be one relieving automobile drivers of any financial responsibility for deaths or injuries sustained by persons who are being carried under car pooling arrangements, as a substitute for the present guest passenger act.

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INSURANCE NEWS BY SECTIONS

MIDDLE WESTERN STATES

State Fire Fund for Iowa Is Proposed

DES MOINES—A proposal to establish a state insurance fund to replace state property destroyed by fire or wind is suggested by the Iowa legislative interim committee in its report prepared for the 1943 session. It says that in the past two years numerous claims have been presented to the committee to replace or repair buildings destroyed by fire or wind.

"There is no provision under existing law for the creation and perpetuation of any fund to meet the cost of such replacement or repair in the event of loss," the committee report said. "Since it is the policy of the state to carry no insurance on any of its properties, it is the recommendation of this committee that the legislature should enact legislation for the creation of a fund for this purpose."

The question of the state not carrying any insurance on its properties has been a matter of controversy with the legislature for several years.

Opposed by Insurance Men

The proposal suggested by the interim committee naturally will be opposed by insurance men, who point out such a move would be placing the state in the insurance business. However, it is possible such a bill will throw the whole question of the state insuring its properties into the open and result in action favorable to the insurers.

The only division of the state that has been able to secure insurance for its buildings has been the state fair board, on the ground that it is income property. There was some question raised at the last legislature about appropriating money for insurance, but it was approved without a record vote. Since then, however, the fair grounds has been turned over to the war department and the insurance has been cancelled.

The state liquor control commission took out insurance on its liquor stocks over the state shortly after organizing in 1934, but was forced to cancel because of a ruling that the commission could not use its income funds for insurance. Legislatures since have failed to correct this and the insurance companies were never paid for their policies, although some losses were paid.

Michigan Mid-Year Meeting in Lansing Called Off

LANSING, MICH.—The executive committee of the Michigan Association of Insurance Agents decided at a meeting here to cancel its mid-year convention, usually held in Lansing early in February, due to the pressure of war activities and restrictions on transportation.

The law and legislation committee, headed by Walter B. Carey of Detroit, was given two special assignments. It was asked to make a thoroughgoing study of the new standard fire policy adopted in New York and for adoption of similar legislation in Michigan, with allowances made for correction of flaws found in the New York act. The committee also was requested to study the proposed model counter signature law said to have been endorsed by the commissioners' association. Recommendations in this matter are to be returned to the executive committee for possible action.

The committee welcomed recent mention of one of the association's former

presidents, David A. Forbes, Grand Rapids, for insurance commissioner.

Arno R. Schorer, Kalamazoo, association president, was elected Michigan state director of the National association.

At a finance committee meeting preceding the general executive session, a budget for the year was framed and approved by the executive committee. The finance committee, headed by Edward R. Moore, Port Huron, new association treasurer, gave serious attention to altering the dues schedule, readjusting it more equitably to premium volume of member agencies. A poll of members is to be taken on this matter, it was indicated.

Old Officers Reelected by Wisconsin Mutuals

MILWAUKEE—Gary H. Kamper, executive vice-president and general manager of Badger Mutual Fire, Milwaukee, was reelected president of the Wisconsin State Association of Mutual Insurance Companies at the annual meeting here. Monroe Schwalbach, Germantown Mutual, was reelected vice-president, and Theodore Schmidt, Kewaskum Mutual, continues as secretary-treasurer for a 19th term. Directors are Harold U. Braun, vice-president Hardware Dealers Mutual Fire, Stevens Point, Mr. Kamper and Mr. Schmidt. Elected to represent the association on the board of the Wisconsin Mutual Alliance was George A. Jacobs, president Citizens Mutual Fire, Janesville. Nominated to the governing committee of the Fire Insurance Rating Bureau of Wisconsin were Junius Pleuss, Manitowoc Mutual Fire, and Theodore Stickel, Milwaukee, Furniture Dealers Mutual.

The association is composed of city and village mutuals. A. V. Gruhn, Chicago, general manager American Mutual Alliance, discussed federal legislation, wages and salaries and the new victory taxes as they affect insurance companies.

Ohio Rules on Handling Service Men's Business

COLUMBUS—It is announced that where it is necessary to license an unlicensed person to take care of the business of a licensed agent who is entering or who has entered service, the requisitioning authority should take the matter up with the Ohio department, where every effort will be made to give individual consideration to such cases.

The department, while wishing to cooperate in every way possible to protect the business of such men, feels that it must abide by present rules and regulations. It is suggested that no person apply for a license who is not willing to take at least an oral examination. Under no circumstances will a person be permitted to operate an insurance business under power of attorney. The person taking over the business must be licensed by the department. If a person entering a defense plant turns his business over to another, that person must qualify in the regular manner.

Seek Publication of Rulings

DETROIT—Members of the Michigan legislature are reported to be discussing the institution of some sort of service for all state departments, to contain all general rulings made by the departments, including the insurance department.

There is a growing bulk of department rulings, particularly those arising

out of statutes made necessary by wartime problems. These rulings are rarely reduced to published form, so that many insurance department rulings which have not appeared in the insurance press are not known to insurance attorneys and field men until the department is queried when some specific problem arises.

Certain sections of the Michigan insurance code and the rulings interpreting them frequently results in misunderstandings by the men in the field, and sometimes also are subject to varying interpretations by successive department regimes.

The judiciary committee of the state senate is expected to report out some measure to remedy this situation.

Kenosha Officers Reelected

KENOSHA, WIS.—Frank L. Young was reelected president of the Kenosha Association of Insurance Agents at the annual meeting, as were Henry McQuestion, vice-president, and John L. Hogan, secretary-treasurer. Frank Hains was named to the executive committee to succeed John Gehring.

Joseph Funck, vice-president of the Wisconsin state association, gave a detailed report on the agents' qualification and licensing bill which is being prepared for introduction at the coming legislative session. Gasoline rationing and its effects on the local agents and their business received were discussed. Plans were suggested for conserving gasoline by more efficient premium collection systems and other cooperation of clients. A committee was appointed to study suggestions and formulate a plan.

Plan Dinner for Rolien

LITTLE FALLS, MINN.—Herbert Clough, Minnesota farm department manager of America Fore, and Wheaton Williams, vice-president of the Fred L. Gray Co., Minneapolis, will be among the company men who will attend testimonial dinner here Dec. 17 for Guy Rolien, new chairman of the rural agents committee of the National Association of Insurance Agents.

The dinner will be part of the regular monthly meeting of the Central Minnesota Agents Regional Association. Also attending will be Armand Harris, St. Paul, chairman of the executive committee; R. A. Thompson, Minneapolis, president, and Frank S. Preston, Minneapolis, executive secretary of the state association.

St. Louis Group Elects

ST. LOUIS—William Rodick, Jr., was reelected president of the Associated Fire Insurance Agents & Brokers of St. Louis at the annual meeting.

Robert E. Doerflinger is vice-president; Frank Altmayer, treasurer; William F. Duerbeck, secretary, and Clarence C. Lang, executive secretary. Directors are: Calvin H. Bowersox, Eugene Brinkop, William H. Finke, William Hase, Joseph L. Heinrich, Jr., and John E. Milne.

The membership now includes more than 200 persons and firms, most of whom are in the combined insurance and real estate business in St. Louis and St. Louis county.

Gasoline Rationing Discussed

At the December meeting of the Hutchinson (Kan.) Association of Insurance Agents, gasoline rationing problems were the main topic of discussion. The two-hour classes on "Fire and Allied Lines," led by A. N. Pomeroy, manager of Western Adjustment, have been moved up to 5:30 so that agents as well as the Hutchinson insurance women, who are participating in the joint school, may have their evening free. Formerly the sessions were held

from 8 to 10 p.m. "Insurance Rating" was discussed last week by E. B. Ferguson, Wichita manager Kansas Inspection Bureau. Nearly fifty are enrolled in the course.

Cuyahoga County Board Elects

CLEVELAND—New officers of the Cuyahoga County Board of Underwriters are Clyde B. Aldridge, president; Hugh J. McFarland, vice-president; Burt Adams, treasurer; James E. Stone, secretary. Trustees are Gardner Graydon, Edwin A. Strauss and Esther Vetter.

Broaden Scope of Bulletin

ST. LOUIS—The "Bulletin" of the Insurance Board of St. Louis now reaches about 2,000 insurance agents and brokers and others interested in insurance, as it now goes to all agents and brokers whether they are members of the board or not.

By including non-members, the board will keep them advised of matters of vital interest to all in the insurance business, making it possible for them to cooperate for their mutual welfare.

Push Sioux City Courses

SIOUX CITY, IA.—The Fire & Casualty Underwriters Association has completed the first eight-hour educational course and the Insurance Women's Association has finished its third course. Both groups have decided to complete the entire 100-hour course. Hereafter both will pursue the same course, so as to take advantage of outstanding discussion leaders and to permit each leader to handle the two classes with but one trip.

Paul C. Howe, local agent, has led the last two classes for the men's organization with such success that it plans to use other local leaders on many of the other sections.

Rock Island Group Active

The insurance group in Rock Island, Ill., has been assigned a major share of the task of selling \$4,000,000 of war bonds in the city by Jan. 1, in the current campaign of the Victory fund committee. Insurance men compose the individual investor group and T. H. Ellis of the Mason agency is chairman of that group. Team captains include Harry H. Hoffman, Frank J. Budelier, Charles J. Montgomery, Ray Walker and Leo Allison, assistant superintendent of Prudential.

Oil Tank Loss \$20,000

Approximately 40 loaded oil tank cars of an Illinois Central train went through a bridge into the Little Saline River near Stonefort, Ill., and burned. The loss was covered in the Railroad Insurance Association, and is estimated at about \$20,000, including oil and rolling stock. Some of the tank cars recently pressed into service are old, and when depreciation is taken are valued at \$500. The railroad pays the first \$10,000 of loss.

Ellis to Speak in Des Moines

DES MOINES—Will S. Ellis, assistant manager of the Cook county department of Royal-Liverpool, Chicago, will speak before the Des Moines Association of Insurance Agents at a luncheon Jan. 4 on war damage insurance. Field men and local agents over the state will be invited.

The Des Moines association will start an educational course on fidelity and surety bonds Jan. 11. Roy Clearman, American Surety, will be the discussion leader.

Honor Mrs. Kohler in Moline

Mrs. Fannie Kohler, who is an important factor in the Jean A. Pope

agency of Moline, Ill., was honored at a dinner given by the field men of companies in the office on the occasion of her 25th anniversary in the business. She was presented with a handsome silver set at the dinner. Mr. Pope presided and then turned the gavel over to Melvin LePitre, assistant western manager of Fire Association, who served as master of ceremonies. The group numbered about 25.

Kansas "News Letter" Issued

An eight-page "Christmas Newsletter" has been sent out by Secretary Wade Patton of the Kansas Association of Insurance Agents. President E. S. Nellis comments on progress of the publicity campaign adopted at the last annual meeting and requests support of a new workmen's compensation bill which is to be presented to the legislature in January.

Protection for Industrial District

KALAMAZOO, MICH.—Kalamazoo township has agreed to provide fire protection with its township fire departments for the North Pitcher street industrial district, although that district does not lie within the township, as an emergency wartime measure. Plants included in the area include the Allen Electric Company, Upjohn Company, Atlas Press Company and Checker Cab Manufacturing Corporation.

Neb. Bureau in New Quarters

Due to the fact that the army has taken over the Masonic Temple building in Omaha, the Nebraska Inspection Bureau which had very comfortable air-conditioned quarters in that building, was forced to find a new location. It is moving to a building at 3000 west on Harney, which is being rehabilitated at considerable expense.

Western Adjustment Kansas Shifts

C. W. Rowse, staff adjuster of the Western Adjustment, has been transferred from Salina to Hutchinson, Kan., replacing J. G. Cook, who reported to the Great Lakes Naval Training Station as a third class yeoman. T. E. Rouse, formerly of the Benton & Rouse agency, Norton, Kan., succeeds Mr. Rowse at Salina.

Meggison with Daniel & Henry

Leonard P. Meggison is joining the Daniel & Henry Co. agency of St. Louis. The partnership of Meggison & Chipley is being dissolved. Mr. Meggison has been in the insurance business 12 years. The Daniel & Henry agency is in its 21st year.

New Kansas Regulations

The Kansas fire marshal department has adopted new regulations covering the sale, storage, handling and transportation of explosives including regulations concerning flammable materials and liquid fuels.

Tom Collins Wichita Speaker

Tom Collins, Kansas City journalist, will speak at the Christmas party of the Wichita Association of Insurance Agents Dec. 17.

NEWS BRIEFS

W. B. Carey, president of the Detroit Association of Insurance Agents and president of the Michigan Insurance Agency, has been named to the advisory board of directors for Detroit of the Investors Fairplay League, of which B. C. Forbes, nationally known writer on financial matters, is president and managing director.

The W. P. Jones agency of Pittsburgh is now in its 96th year and in honor of the anniversary President John A. Diamond of the North America, which the agency has represented all those years, sent it a personal letter and an honorary certificate for distinguished service. The agency was operated until 1865 by W. P.

Jones and then by his nephew, W. L. Jones, who died in 1916. In 1905 Harry Schmalz joined the agency and in 1938 his son, Harold. The agency will surrender its corporate charter at the end of the year and operate as a partnership under the same name.

Joe McGuire and C. L. Sherman, Hutchinson, Kan., agents are working night shifts at two of the Hutchinson war plants. Mrs. McGuire is looking after the office during her husband's absence. He is chairman of the fire prevention committee of the Hutchinson Board.

The Christmas party of Dulaney, Johnston & Priest of Wichita, will be

held Dec. 18. Field men associated with the agency and other guests are included.

The Mutual Insurance Club of Columbus held its last meeting of the year Monday. M. E. Foltz, assistant superintendent of claims of Ohio Farm Bureau, showed motion pictures on how to sell and how not to sell. The club will elect officers in January.

Football motion pictures provided the entertainment at the Dec. 14 luncheon of the Insurance Club of Minneapolis. The program was sponsored by U. S. F. & G. Commissioner Johnson of Minnesota will speak Jan. 11.

should not mean disagreements and resignations and should be dealt with from an academic standpoint rather than from a standpoint of personalities and prejudices," President Harris said.

Tennessee Committee Named

NASHVILLE, TENN.—The legislative committee of the Tennessee Association of Insurance Agents, appointed by Will Johnston, president, is composed of H. H. Corson, Clarence Hunt, H. Phelps Smith and C. B. H. Loventhal, all of Nashville, with the committee instructed to elect its own chairman. The legislature meets Jan. 4.

Chairmen of other committees are: Finance, Dorian E. Clark, Nashville; casualty and surety conference, Gilbert M. Schloss, Memphis; fire conference, W. M. Harris, Johnson City; educational, W. D. Pettigrew, Knoxville; public relations, Mark Bradford, Nashville; conservation, M. S. Davis, Columbia; rural agents, Max Senter, Humboldt.

Continue Insuring with Agents

LAKELAND, FLA.—The Polk county school board will continue to place its \$1,000,000 insurance through agents rather than on bids direct from companies, as had been proposed. Its committee on insurance, headed by W.

IN THE SOUTHERN STATES

Birmingham President and Vice-president in Service

BIRMINGHAM, ALA.—The president and vice-president of the Birmingham Association of Insurance Agents both have resigned to enter the service. Douglas A. Hester, president, leaves for Quonset Point, R. I., to enter training as a navy lieutenant. Wilbur K. Allen, vice-president, who also is chairman of the legislative committee of the state association, has become an assistant field director for the American Red Cross and assigned to foreign duty.

A committee composed of R. W. Mizelle, Joe Ford and Robert Gregory has been appointed to nominate a new president and vice-president.

Speaking in behalf of the small business man, Representative-elect John P. Newsome of the ninth Alabama district in addressing the Birmingham association said he was glad to hear "they are still printing insurance policies and selling them without restriction."

Congressman Newsome referred to the numerous restrictions on most businesses, including his own, distributing electrical appliances, manufacture of which was stopped last April. He said he favored whatever regulation and regimentation is necessary to win the war, but not beyond that.

At his invitation the Alabama Association of Insurance Agents through President Ed H. Moore has presented him a memorandum of the service the fire insurance agent renders and the part he plays in the community. He said he would be guided by this outline when considering matters in Congress relating to fire insurance.

Columbia, S. C., Agents Form New Local Board

Insurance agents of Columbia, S. C., have formed a local board to be known as the Columbia Association of Insurance Agents. W. Dixon Foster was elected president, Thomas B. Boyle, vice-president, and Neill O'D. Bultman, secretary-treasurer. More than two-thirds of the insurance agents of Columbia attended the meeting.

The main present objective is to contact the members of the legislature in Richland county and urge their support of an agent's licensing bill in South Carolina.

The association will have five directors, who will be elected at the next meeting in January.

Important Questions to Be Discussed by Dallas Agents

DALLAS—"Is the fire and casualty insurance business an essential industry?"

"Why is the insurance business under the supervision of our state government?"

"Is the local agency business actually being attacked in the United States, and, if so, by whom and why?"

"Why have a local insurance agents

association, and why support the state and national association?"

"Why am I in the insurance business as a local agent and what do I expect to derive from this business?"

These are some of the questions that will be discussed in the membership meetings of the Dallas Insurance Agents Association, President B. Felix Harris announces. "Our association should be strong enough to admit that differences of opinion do exist, but these differences



HAS LIFE INSURANCE MORE PUBLIC APPEAL THAN FIRE OR CASUALTY?

There are happenings in every community every day spotlighting the value of our stock in trade - yet, how many people know their fire and casualty insurance needs as well as the need for life insurance - The Agent must be the creator of public interest from which stems sound public opinion so necessary for the preservation of this business.



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FIELD CORRESPONDENT

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MARINE & GENERAL INS. CO. LTD

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NEW YORK CITY

L. King, Lakeland agent, argued that a proposition from one of the smaller companies by which there would be a saving of \$1,750 would be bad business, for good insurance, the kind that the board should by all means have, is not cheap.

Cogswell with Oil Association

W. M. Cogswell has been appointed engineer of the Oil Insurance Association in the southwestern department at Dallas. Mr. Cogswell has been with the Texas Inspection Bureau for the past 13 years, and has had wide experience in inspecting a variety of special hazard risks.

Maury County Exchange Elects

COLUMBIA, TENN.—The Maury County Insurance Exchange has re-elected M. S. Davis, president; Norman Dale, vice-president, and T. E. Redman, secretary-treasurer. The executive committee is composed of G. P. Brownlow, James Dedman and Orton Bennett.

New Beaumont Insurance Program

BEAUMONT, TEX.—The city, under its new insurance program, will have \$1,456,675 in fire and extended coverage insurance, placed with members of the

Beaumont Insurance Exchange. The amounts have been apportioned among the different agencies which are members of the exchange.

Honor N. C. Department Heads

RALEIGH, N. C.—W. P. Hodges, North Carolina commissioner, and Wofford Humphries, deputy commissioner, were honored at a banquet given by the Raleigh Insurance Exchange, executives of Raleigh fire companies and officials of the North Carolina Association of Insurance Agents.

New Alabama Theater Rules

BIRMINGHAM, ALA.—Guarding against possible occurrence of a disastrous fire, the Alabama insurance department has promulgated rigid regulations for the operation of theaters and other public gathering places.

NEWS BRIEFS

The Knoxville Association of Insurance Women held a Christmas party Monday evening. Members contributed toys for children at a juvenile home.

John D. Crowle, Jr., local agent of Staunton, Va., has been elected president of the Staunton-Augusta Chamber of Commerce.

Bell, inspector of agencies of New York Life, and J. L. Van Norman of Van Norman & Morrison, brokers, for directors.

NEWS BRIEFS

Licenses of Lloyd K. Hillman, well known Los Angeles broker, have been terminated. Commissioner Caminetti, following a hearing, found him guilty of diverting to his own use \$154 received from persons purchasing automobile insurance.

Fred W. Krause, local agent in Bremerton, Wash., before entering the insurance business a number of years ago was a machinist in one of the Detroit automobile factories and later did similar work in the Bremerton navy yard. He is back at the lathe again, working the swing shift. Then he catches a few hours sleep and hustles to his agency to lend a hand to his capable staff, which is carrying on in the emergency.

The San Francisco Insurance Women's League held its Christmas luncheon Dec. 12.

The Insurance Women of Seattle held their Christmas party Dec. 15.

The Insurance Accountants Association of San Francisco will hold its Christmas banquet Dec. 18. James

Muir will be master of ceremonies and Henry Boos, Pacific Board, toastmaster.

W. R. Patterson, local agent, has been elected president of Seattle chapter of Gyro International.

B. J. Parker, local agent at Pueblo, Col., has sold his agency to E. I. Crockett & Co.

Push War Damage in Alabama

BIRMINGHAM, ALA.—More than 200 Alabama agencies have made use of the Business Development Office advertising material in behalf of war damage insurance. M. R. McGruder, secretary-manager Alabama Association of Insurance Agents, reported. All local boards in the state have advertised war damage insurance and the Birmingham association is organizing a speakers bureau with Ed H. Moore as chairman to carry the message to civic clubs and radio listeners.

\$150,000 St. Louis Fire

ST. LOUIS, MO.—Fire did approximately \$150,000 damage to the building at 310 South 21st street, occupied by the Dye Candy Company and an Armour Packing Company warehouse. Building damage was about \$70,000 and contents \$80,000. Armour had soap, glycerin, canned meats and sausage wrappings in the warehouse.

PACIFIC COAST AND MOUNTAIN

King County Annual Meeting Will Be Streamlined

SEATTLE—Due to wartime conditions, the King County Insurance Association is streamlining its annual meeting, but will preserve many of the features of the event which make it the traditional get-together of Seattle's insurance fraternity.

The meeting will be held Jan. 12. James W. Frazier has been named chairman of a committee to handle the arrangements. There will be a closed business session late in the afternoon, at which reports of officers and committee chairmen will be submitted. Orion D. Starr has been appointed chairman of the nominating committee.

Following the business meeting, the annual dinner will be held. It is a traditional affair, with company men, adjusters and various other members of the insurance fraternity in attendance.

The annual Christmas party which is traditionally given by President W. H. Harmer, of the association for trustees and members of the ways and means committee will be held Dec. 21.

Joint Luncheon in Los Angeles

LOS ANGELES — Insurance Post 513, American Legion, and the Casualty Insurance Adjusters Association of Southern California jointly were hosts at a joint get-together luncheon, along with the Southern California Fire Un-

derwriters Association and Casualty & Surety Field Men's Association of the Pacific Southwest.

Boyd Comstock, former coach at Yale and the University of Southern California, and for several years, in charge of athletic training of the youth of Italy, who recently returned from Italy after having been interned, spoke on "Why Mussolini Will Lose the War."

Big Losses in Grain Fires

SEATTLE—Insurance losses in connection with eastern Washington grain fires this year have reached a total of almost \$500,000, according to W. A. Groce, special investigator of the National Board, who is now serving as director of civilian protection of the Washington State Defense Council. There has been no evidence of sabotage, he said.

The sharp rise in wheat losses is attributed to a combination of factors, principally the presence of inexperienced farm hands and the absence of fire-breaks in the large wheat fields.

Los Angeles C. of C. Slate

LOS ANGELES — The nominating committee of the Los Angeles chamber of commerce has announced its slate for 1943. W. C. Mullendore, trustee of Mutual Life and Asa V. Call, president of Pacific Mutual Life, are nominated for vice-presidents; Clark E.



Greetings

Let us at this season reflect soberly upon the stirring events of the past twelve months . . . looking ahead to 1943 with hope and determination. May the New Year see fulfillment of our prayers for Victory, and may the Peace to come bring with it greater happiness and prosperity.

Ed Berry
PRESIDENT



1841 MORE THAN A CENTURY OF SECURITY 1942

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USE AND OCCUPANCY INLAND MARINE

EASTERN STATES ACTIVITIES

Washington War Damage Drive Most Successful

WASHINGTON, D. C. — With Charles F. Holden, general manager of the North America companies in Washington as chairman, a special committee of companies and producers has been conducting a productive campaign in the District of Columbia for the sale of war damage insurance. So constructive has been the committee's promotion work that it has received special commendation from the War Damage Corporation and the Business Development Office.

"I am sure there isn't a person in the district who does not know of the availability of the cover and the basis under which it may be obtained," Mr. Holden says.

On the committee with Mr. Holden are A. W. Howard and C. R. Barker, representing the Underwriters Association of the District of Columbia; A. J. Phillips and S. S. Sugar, Insurers Association of the District of Columbia; William Ellett and Ralph W. Lee, Jr., Insurance Club of Washington, and Guy Mann, Aetna Casualty, representing the company managers group.

Through cooperation of the Potomac Electric Company, a leaflet, "Who Pays the Loss If My Home Is Bombed," was sent to more than 200,000 property owners. In cooperation with the War Damage Corporation, a poster, "War Insurance Facts for Property-Owners," has been placed in all government buildings and cafeterias and in the lobbies of banks.

Airport Fire at Hamilton, N. Y.

HAMILTON, N. Y. — Eighteen training planes and miscellaneous equipment insured by Associated Aviation Underwriters were destroyed in the \$160,000 airport fire here. Associated's share of the loss was close to \$50,000. The planes and hangar were owned by the Benson Colgate Flying Service and were used in connection with the

civilian pilot training program for training Colgate University student naval flying cadets. The loss was settled with exceptional speed, C. V. Flanagan, head of Associated's claim department, handling the payment personally. Checks were turned over to insured on the second business day following the fire. A spark from a defective extension cord started the fire.

Cocoanut Grove Insurance

Joseph Weinberg of the Weinberg & Beal agency of Boston that placed the fire insurance on the Cocoanut Grove night club states that there was total coverage of \$172,500 divided among American Central, Central Fire, Continental, Michigan F. & M., and Globe & Republic. The rate was 17 cents.

Massachusetts Committees Named

BOSTON—President Paul J. Woodcome of the Massachusetts Association of Insurance Agents has appointed his committees. Chairmen are: Finance, Fred R. Smith, Haverhill; conference, Mr. Woodcome; membership, Harold D. Barnes, Pittsfield; legislative, Julius F. Haller, Boston; rural agents, Harold E. Crippen, North Adams; fire and accident prevention, R. M. Kelley, Hyannis; publicity and education, F. R. A. McGlynn, Worcester; Business Development Office, C. Conrad Parker, Worcester; qualification of agents, Forrest H. Thompson, Athol.

Start Army Inspection Service

BOSTON—Engineers of the Boston Board and those from individual offices will establish a fire prevention and inspection service for the army base command in the First Area in Boston, in response to a request from the War Department. Service will be contributed without charge as a patriotic measure. Following initial inspection the engineers will file recommendations and make plans for a regular service.

least to the extent that the car cannot be operated because of damage done by these causes. Under a literal interpretation of the policy, if the car was being operated five miles from town and broke a fan belt, assured could collect a towing charge if the service man discovered on arrival that he had no fan belt with him that would fit the car. Assured of course cannot collect the cost of the fan belt, nor is he supposed to collect the cost of installation in case the labor is not done at the place of breakdown. If the labor is done at the place of breakdown then the assured would collect the labor charge only.

Okl. Eyes Commercial Car Rates

The Oklahoma insurance board is launching an investigation to ascertain whether wartime emergency regulations justify a reduction in rates on commercial trucks and vehicles. Information is being gathered from companies and other sources.

Donnelly Takes Post with North British Group

Elmer C. Donnelly, the new superintendent of the inland marine department



E. C. Donnelly

of the North British & Mercantile group for the western and central departments territory, will supervise inland marine production among agents of the five companies in the group, North British & Mercantile, Pennsylvania Fire, Commonwealth, Mercantile and Homeland. He will make his headquarters in the Chicago service office, 1437 Insurance Exchange.

Mr. Donnelly has had both home-office and field experience and is well qualified for his new duties. He has been inland marine representative in Chicago of Fidelity & Guaranty Fire, traveling the western states. Prior to that he was in the home office inland marine department. Mr. Donnelly resigned the F. & G. Fire post to join North British. He reported for duty this week.

MARINE

Special Cover for Small Boats in Caribbean Trade

A group of carriers in the marine field have formed a pool to provide marine coverage on cargo shipped in barges, sailing vessels, wooden steam and motor vessels which have entered the Caribbean trade with the shifting of iron and steel steamers to service elsewhere. Ordinarily marine cargo policies do not extend coverage to merchandise shipped in boats of the smaller type.

The insurance provided is against ma-

jor perils only. It does not include protection against heavy weather damage, breakage, and some of the other perils covered in the open policy. The restricted protection can be added to the open policy by endorsement, or written separately.

Rates for Insurance Are High

The rates are high, running as much as 10 and 11 percent, depending on the type of vessel and the zone, and depending also on the time of year. The rates

Rhode Island... a Small State with an Impressive Background



THE prosperity of Newport, and so of Rhode Island, in the early 18th Century, was based primarily on sugar and molasses, which ever since 1660 had been coming into Newport. Distilled there into New England rum, this product, together with candles made from tallow or oil substance, found a ready market in the West Indies. Profits brought about through this trade, and the other early industries on which it had direct bearing, created an intense local activity and laid the financial base for a cultured Rhode Island society.

Insurance also has played an important part in the commerce of this state. The Rhode Island Insurance Company occupies an outstanding position among the insurance companies of Rhode Island.

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MOTOR INSURANCE NEWS

Many Inquiries Being Received on Tow-in Cover

The company people now are beginning to get a number of inquiries from agents, brokers and assured as to whether the tow-in coverage that can be secured with the automobile policy for \$2 will pay for the cost involved if assured runs out of gasoline and either has to be towed to the nearest gas station or have a supply brought out in a service car.

There is some difference among the company men and adjusters as to how such a claim would be settled. Technically interpreting the policy, the company probably would not be liable under these circumstances. The policy reads: "Towing and labor costs necessitated by the disablement of the automobile, provided the labor is performed at the place of disablement." Of course, if assured runs out of gasoline, there is no disablement of the automobile. There has been no mechanical or electrical

breakdown. The car is in satisfactory working order.

Meets Motor Club Competition

However, the tow-in endorsement was devised by the companies to meet the competition of motor clubs, and the opinion of most offices is that such claims would be and should be interpreted liberally rather than literally. It is unlikely a great number of claims of this sort will develop because few persons will get themselves in a situation where they run out of gasoline. There probably will be many more claims to cover cost involved when there is a flat tire. In that case, of course, the cost is covered by the endorsement.

Another factor is that tow-in claims ordinarily are very small and often the settlement is made through the agent. He is not likely to go to the trouble of checking thoroughly into each claim to determine if policy provisions are met.

The attitude of many offices is that the company should meet such losses in a rather generous way because it may provide one of the few opportunities for them to be of real service during gasoline rationing under automobile protection. It should thus do much to keep the company's contact with assured alive and friendly, and help convince assured he should maintain his automobile protection during the emergency period.

Further Interpretation

Of course assured can collect the cost of tow-in if the water in the battery becomes exhausted or if the radiator leaks and goes dry and disables the car, at



are considerably higher for the hurricane season. In addition, all of the vessels of this type which are used must pass an inspection by the underwriters' surveyor prior to sailing, if insurance is to apply. Shippers are asked to obtain particulars as to the name of the craft on which consignments are booked and where it may be seen so that underwriters can arrange inspections.

The unit of liability which insurers will accept is \$10,000. Beyond that full particulars will be required and the offering will be given individual consideration.

Meets Serious Situation

A serious situation developed in the Caribbean when steel and iron steamers were diverted by the government to service elsewhere. A vast number of small vessels immediately were pressed into service to keep merchandise moving. These included some very unseaworthy boats, including some ancient scows off the New York canal system. Insurers discovered that shippers they had under open policy protection were placing cargoes of considerable value in such hulls. It was necessary to do something to induce order into the situation, and the present move followed.

From Gulf ports war risk is provided at the same rate as for regular steamers. Hulls are insured through the War Shipping Administration.

Details of Protection

The cargo coverage provides that merchandise shipped under deck by steel, concrete, or iron barges, wooden or composite barges, wooden motor and steam vessels and sailing vessels, with or without auxiliary power, will be insured free of particular average unless the vessel is stranded, sunk, burned, on fire, or in collision. The same conditions apply to cargo on deck but include risk of jettison, or washing overboard, irrespective of percentage.

If the open policy to which an endorsement is attached covers transit risks on shore, the insurance extends to goods while on docks, wharfs, or elsewhere on shore during such land transportation against only the risks of collision, derailment, fire, lightning, cyclone, earthquake, hurricane, flood, or any accident to the conveyance or collapse of docks or wharfs.

The insurance covers total loss of any package lost in loading, transshipment, or discharge and for any loss or damage attributed to fire, collision, or contact of vessel with any external substance other than water, or to discharge at a port of distress. Landing, warehousing, forwarding and other special charges will be payable if underwriters would be primarily liable under a policy covering particular average. No claims will be allowed for loss of market or damage or deterioration arising from delay.

Cleveco Was Insured

CLEVELAND—The "Cleveco," the barge that sank in the recent storm on Lake Erie, was fully insured on hull, disbursements, P. and I., and post-season insurance. Marsh & McLennan of Cleveland placed the insurance.

\$250,000 Streamliners Loss Insured in Marine Market

The second section of the "Lark," Southern Pacific streamliner between San Francisco and Los Angeles, crashed into the rear end of the first section, practically destroying the rear car and severely damaging four others. The loss, which may run as much as \$250,000, was insured in the marine market. The marine companies have been insuring streamliners rather freely, and have practically all of the business. It is estimated that since the "City of San Francisco" wreck in 1939, and including that damage, losses on streamliner trains have aggregated around \$2,000,000.

Last year the Inland Marine Underwriters Association assumed jurisdiction over the writing of business on streamliner trains and has promulgated

generally higher rates. Because of the experience, it is understood that London Lloyd's has sharply reduced its acceptance of reinsurance on streamliner risks.

Await New Move in Atlanta

(CONTINUED FROM PAGE 3)

Lodge county decision in 1913, conditions have changed materially and that although contracts entered into between residents of different states are not commerce, yet the right of the federal government to regulate trade and commerce implies the right to extend such regulation to insurance when insurance is an integral part of commerce. That is, the government may seek to get around the Paul vs. Virginia theory by alleging that insurance has become a vital part of commerce at many points.

Many now believe that the government will concentrate on the S.E.U.A. case and will not seek indictments of the other 12 organizations, at least at this time.

S.E.U.A. Case to Be Test

By abandoning the outstanding subpoenas for the records of the fire insurance associations, the anti-trust division of the Department of Justice cleared the way for making the S.E.U.A. indictment a test of the federal jurisdiction.

This leaves the matter where the basic issue of whether insurance comes under the jurisdiction of the federal courts will probably be determined on the basis of an appeal from the ruling on the demurrer which it is expected that the government will appeal if the indictment is dismissed, and likewise that the S.E.U.A. would appeal in the event that the indictment is sustained.

The proposal for the clearing of the record by stipulation, which it is understood originated with the anti-trust division, seems to indicate that the Arnold-Elmore strategy is to avoid any application of the Paul vs. Virginia doctrine that insurance is not commerce and that the regulation of non-resident corporations is a state function to the grand jury proceedings lest it create a precedent which might be used by others in the future.

Reading between the lines of the indictment it appears that an attempt has been made to provide a basis for the introduction of evidence to show that, despite the dictum in Paul vs. Virginia, the insurance companies themselves have regarded insurance as a commodity. Since Congress has refrained from the enactment of any law declaring insurance to be interstate commerce, this would appear to be the only way in which the conspiracy alleged in the indictment could be established. Observers point out that establishing such a point would clear the way for the anti-trust division to move into other fields where state

regulation is a limiting factor on federal control. It is this phase of the matter which has caused the Southern Governors' Conference to name a committee of attorneys general to investigate the possibilities of individual states intervening in the proceedings with a view to proving the state's rights theory.

Hot Editorial Blast

"The whole process is an outrageous attack on the rights of the states," says the Macon, Ga., "Telegraph" in commenting on the Atlanta case.

"The present administration," the editorial says, "seems to have gone mad on the subject of monopolies. It has itself created more monopolies than all the private enterprises since the government was established."

"There is absolutely no excuse for this attack on the fire underwriters," the editorial continues. "We have no idea whether they meet and fix the premium rates or not, and care not a continental. One notable fact is that fire insurance companies have to practice reinsurance. If some great conflagration were to break out with a single company carrying all the insurance the company would be ruined. The necessity for reinsurance makes uniformity of premium a logical necessity."

"But the important point is that fire insurance companies are now regulated by the various states. It is one of the most essential functions of these states. It has been carried on by the states ever

since there have been fire insurance companies.

"If the federal government prevails in this case and it is decided that future regulation shall be from Washington it will bring the utmost confusion into the affairs of the insurance companies and of the states."

"Time and again the courts have ruled that the insurance business is not 'commerce.' In the old days before Roosevelt packed the supreme court it was even held that manufacture is not commerce and therefore does not come within the federal government's authority to regulate interstate commerce."

"That doctrine has gone, so far as manufacture is concerned, but it seems silly to say that the insurance business is interstate commerce."

"The southern senators who have been battling the anti-poll tax bill in Congress have been criticised for filibustering against the measure, but what can they do when it is evident that the New Deal at Washington is determined to destroy every vestige of state's rights."

"The results of the recent congressional election ought to have served as a warning that this country is fed up on the vagaries of the New Deal and it is just such things as Thurman Arnold's outrageous attacks on business under the plea that it is monopolistic that are destroying legitimate business."

"The whole south is interested in this new assault on state sovereignty and we should find a way to effect proper reprisals if this latest attack is successful."

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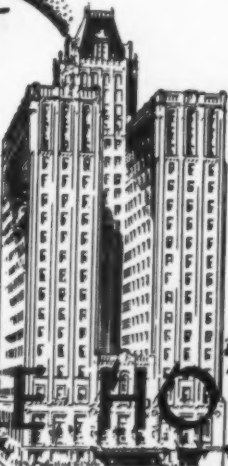


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Earlier in the editorial the "haste of a federal grand jury in bringing in the indictment" of the Southeastern Underwriters association is characterized as "a most amazing performance." Pointing out that a motion was pending to quash the grand jury subpoenas the editorial says, "The hearing on this motion was set for Dec. 14 and it does seem that the grand jury might have waited until the court had ruled on that point before bringing in the indictment."

Late Casualty News

Minn. Auto Assigned Risk Plan Effective Dec. 18

ST. PAUL — Minnesota's voluntary automobile liability assigned risk plan becomes effective Dec. 18, Commissioner Johnson announced this week. All 94 companies writing automobile liability insurance in Minnesota have subscribed to the plan, he said.

He announced that the plan will be administered by James F. Reynolds, agent of the Minnesota Compensation Rating Bureau. On the governing committee will be Wheaton A. Williams, Minneapolis, representing the National Bureau of Casualty & Surety Underwriters; E. H. Mortenson, Minneapolis, National Association of Automotive Mutual Insurance Companies; G. U. Blomholm, Anchor Casualty, non-affiliated stock companies; and R. C. Meade, State Farm Mutual, non-affiliated non-stock companies.

In order to be eligible, an applicant must have been rejected by three insurance companies within 60 days prior to his application. The plan will apply only to risks that are in good faith entitled to such insurance.

Word "Reimburse" in A. & H. Policies Barred in Ill.

The Illinois department has announced that it is not approving the use of the words "reimburse" or "reimbursement" in connection with benefits under any accident and health or hospitalization policies; although a formal ruling has not been issued in bulletin form.

The department's position is that if insured has incurred any medical, surgical or hospital expense that will be covered under the policy, he should be paid, even though he has not actually paid for such services.

"Reimbursement" forms in connection with medical and hospital expense are issued by practically all companies in the accident and health field and the expense of preparing forms with a new wording for use in Illinois would be enormous. The department has indicated that it may allow the correction to

be made by rider instead of requiring new policies.

Decision Ends Confusion on Bailee's Insurance

NEW YORK—Creating a new principle of law, the appellate division of the New York supreme court has handed down a decision which resolves the long-standing confusion as to whether the bailee's insurance or the owner's is liable in the event of loss, when each policy contains provisions making it excess over other insurance. The court ruled the bailee's insurance is liable.

The case went direct to the appellate division on agreed statement of facts, in the preparation of which Rein, Mound & Cotton, attorneys for Commercial Union of England, which insured the bailee, Brooklyn Yarn Dye Co., collaborated with John L. Fletcher, Bigham Eng.; Jones & Houston and G. I. Jannow, attorneys representing nine insurers of customers of Brooklyn Yarn Dye. Whose yarns were damaged during a windstorm loss at the plant.

The court pointed out that neither its decision in the case of Gordon, Levinsohn & Baskin vs. Franklin Fire nor the court of appeals decision in Fairchild vs. Liverpool & London & Globe was applicable. These dealt with fire policies which excluded liability on the part of the bailee's insurer if the property was "specifically insured" by others. It was held that the "other" policy in the case, consisting of a floater policy, did not constitute such "specific" insurance and that accordingly the limitation did not apply.

In the case under consideration, however, the court made the point that Commercial Union's policy was of a different character from those held by the dyeing concern's customers and generally speaking was intended to insure the concern and its customers against loss only while the yarns were on the premises, under its control or in transit to and from that particular concern. The opinion then stated:

"The relations of the parties and the intention flowing from that relationship persuade us that the policy of the defendant Commercial Union, in the main more specific in coverage than the

float policies, was thus intended to create a primary liability to which the float policies issued by the impleaded defendants (the customers' insurers) was supplementary and secondary, to be effective only if the merchandise was not otherwise fully insured."

It is expected that the question will be taken to the court of appeals so that this important issue can be settled finally.

Jennings in U. S. Work

William H. Jennings, Jr., of the Jennings agency, Rockford, Ill., chairman of the advisory committee, Illinois Association of Insurance Agents, has accepted a position with the department of internal security of the war office for duration. His work will be war plant inspection and he will have headquarters in Rockford.

Miss Florence Dubin, Mr. Jennings' secretary, will continue to operate the agency.

Brokers File Suit Against Chicago Board

(CONTINUED FROM PAGE 13)

control of the defendants; that the companies, through the vote of their agents who alone are permitted to vote in the affairs of the board, completely dominate and control the activities of the board and force it upon a course of action against the plaintiffs, whereby an organized "boycott" is used to force licensed insurance brokers to deal only with "listed companies" who have agreed to fix and maintain rates determined by the concerted action of the defendants and upon commission rates to be paid to brokers likewise fixed and determined solely by concerted action.

The Chicago Board, according to complaint, is directly competitive with the interests of broker, but that some 4,000 licensed brokers are forced to apply for membership to pay fees and dues, "subject themselves to the coercion of illegal by-laws, agree to rates for insurance fixed by illegal combination and forced to agree to boycott insurance companies not agreeing with the defendants to join said conspiracy, or in the event that said brokers refuse to

agree to the aforesaid commitments to suffer the consequence to their business of an illegal boycott of the same by said defendant companies."

The non-board companies, the complaint declares, write only 5 percent of the business and they do not constitute an adequate market.

The operation of the alleged conspiracy eliminates rate competition, the bill asserts, and the price of fire insurance thereby is increased.

The acquisition cost of fire insurance in many instances aggregates over 50 percent of the premium, according to the complaint, and "by enforcing rules as to contingent and overriding commission . . . the companies have been able to maintain fire insurance rates in Cook county greatly in excess of the rate charged for comparable risks in other metropolitan centers. . ."

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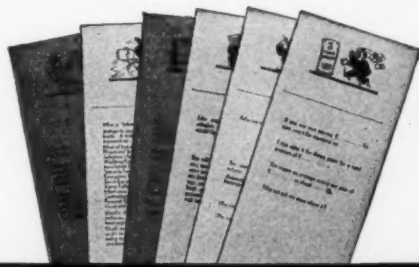
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